

**CITY OF GRETNA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2014**

**PREPARED BY:
THE FINANCE DEPARTMENT**

CITY OF GRETN, LOUISIANA
Basic Financial Statements
Year Ended March 31, 2014
With Supplemental Information Schedules
Table of Contents

	<u>Statement</u>	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report			1-3
Required Supplemental Information (Part I) Management's Discussion and Analysis			4-13
Basic Financial Statements			
Government-Wide Financial Statements			
Statement of Net Position	1		14
Statement of Activities	2		15
Fund Financial Statements			
Governmental Funds:			
Balance Sheet	3		16
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Financial Statement of Net Position	3-a		17
Statement of Revenues, Expenditures, and Changes in Fund Balances	4		18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	4-a		19
Proprietary Funds:			
Statement of Net Position	5		20
Statement of Revenues, Expenses and Changes in Fund Net Position	6		21
Statement of Cash Flows	7		22
Notes to the Financial Statements			23-51
Required Supplemental Information (Part II)			
Budgetary Comparison Schedules		1 - 6	52-62
Schedule of Funding Progress For Other Postemployment Benefits Plan			63

CITY OF GRETN, LOUISIANA
Basic Financial Statements
Year Ended March 31, 2014
With Supplemental Information Schedules
Table of Contents (Continued)

	<u>Schedule</u>	<u>Page</u>
Other Supplemental Information		
Non-Major Governmental Funds:		
Combining Balance Sheet	1	64
Combining Statement of Revenues, Expenditures, and		
Changes in Fund Balances	2	65
Schedule of Compensation of Paid Elected Officials	3	66
Schedule of Expenditure of Federal Award		67
Notes to Schedule of Federal Financial Assistance		68
Other Independent Auditor's Reports and Findings and		
Recommendations		
Independent Auditor's Report on Internal Control Over		
Financial Reporting and on Compliance and Other		
Matters Based on an Audit of Financial Statements		
Performed in Accordance with <i>Government</i>		
<i>Auditing Standards</i>		69-70
Independent Auditor's Report on Compliance with		
Requirements Applicable to Each Major Program		
and Internal Control Over Compliance Required		
by OMB Circular A-133		71-72
Findings and Recommendations		73-74
Schedule of Prior Audit Findings		75
Corrective Action Plan for Current Year Audit Findings		76

INDEPENDENT AUDITOR'S RERORT

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council

City of Gretna, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gretna, Louisiana, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gretna, Louisiana, as of March 31, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 4-13 and 52-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gretna, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014 on our consideration of the City of Gretna, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gretna, Louisiana's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
September 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

As management of the City of Gretna, Louisiana (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2014. The purpose of this management discussion and analysis ("MD&A") is to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, or conditions. The MD&A is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained with this MD&A should be considered only a part of this financial report. The readers of these statements should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- The City's total Net Position increased by \$4,580,389 which represents a 6.91 percent increase from fiscal year 2013. The increase can be attributed specifically to a decrease in liabilities of \$5,157,866 or 18.32 percent. Liabilities decreased primarily due to the payoff of capital leases of \$141,232, the payoff of short-term debt of \$1,000,000, and a decrease in long-term debt of \$1,732,961. Accounts payable also decreased \$2,030,235 due to the completion of several capital projects during the current fiscal year. The Net Position of the governmental activities increased by \$3,437,570. Net assets of the business-type activities increased by \$1,142,819.
- Assets of the City's governmental activities exceeded its liabilities at the close of fiscal year ending 2014 by \$47,640,433 (Net Position). Of this amount \$29,203,707 or 61.3 percent is invested in capital assets, such as facilities, vehicles and equipment, net of accumulated depreciation and related debt. An additional \$17,082,957 or 35.86 percent is restricted for Building Renovations, Contingencies, Emergency Preparedness, and Separation and Settlement. The remaining balance of \$1,353,769 (Unrestricted Net Position) or 2.84 percent is considered unrestricted and may be used to meet the City's ongoing obligations.
- In the wake of Hurricane Katrina, the City qualified for borrowing through the FEMA Special Community Disaster Loan Program (CDL). FEMA revised the rules established for recipients of Special Community Disaster Loans (CDL) to apply for loan cancellation. As of March 31, 2013 accrued interest was \$152,242. The principal and interest on this loan was originally payable no later than February 1, 2016. After a lengthy and intense process, it has been determined that the City's CDL loan would be forgiven. The \$1,022,961 balance of the CDL loan was forgiven in December 2013.
- The Committed Fund Balance from the General Fund for Capital Projects Renovation Police Building was transferred to the Capital Projects Fund for the onset of the building renovations of the Gretna Police Department Facility. The transfer of \$1,746,130.66 caused a negative Net Change in the fund balance of the General Fund of (\$530,125).

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's basic financial statements consist of the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all of the City's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening. The causes of the change in net position may be the result of many factors, both financial and non-financial in nature. Non-financial factors, which may have an impact on the City's financial condition include the property and sales tax base.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("*governmental activities*") from other functions that are intended to recover a significant portion of their cost through user fees and charges ("*business-type activities*"). The business-type activities of the City consist of the Municipal Water and Sewer System.

The following is the City's government-wide financial information for the current and prior years in condensed form. Further details regarding these statements may be found on pages 14 and 15 of this financial report.

Fund Financial Statements

A "*fund*" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Because the focus of governmental funds is narrower than that of the government-wide financial statements, *it is useful to compare the information presented for governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations are located on pages 17 and 19.

The City adopts an annual appropriated budget for its General Fund and Other Funds. A budgetary comparison statement for the general fund and all major funds to demonstrate compliance with the budget is presented on pages 52 through 62.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

Proprietary funds. The proprietary fund consists of the Municipal Water and Sewer Funds which is also presented as the business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

Other information. The *combining statements* referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplemental Information. Combining statements for non-major governmental funds can be found on pages 64 and 65 of this report. The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Protection Fund, Riverboat Casino Fund, Capital Projects Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds (Garbage Fund, Parks and Recreation Fund, Social Services For The Aged Fund, Street Lights Fund, Tourism Fund, Ambulance Fund, Home Incarceration Fund, Court Security Fund, and Court Security Fund 2nd) are combined into a single, aggregated presentation.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$70,904,961 (*net position*). The City's net position is comprised of \$47,640,433 from Governmental Activities and \$23,264,528 from Business-Type Activities as shown on page 14.

CITY OF GRETNA, LOUISIANA

Net Position

March 31, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 22,844,104	\$ 25,213,526	\$ 905,869	\$ 960,037	\$ 23,749,973	\$ 26,173,563
Capital assets(net)	43,279,706	41,783,103	27,131,474	26,759,962	70,411,180	68,543,065
Total assets	<u>66,123,810</u>	<u>66,996,629</u>	<u>28,037,343</u>	<u>27,719,999</u>	<u>94,161,153</u>	<u>94,716,628</u>
Current and other liabilities	2,063,466	5,157,720	3,624,463	4,061,869	5,687,929	9,219,589
Long-term liabilities	16,163,407	17,401,444	1,148,352	1,536,421	17,311,759	18,937,865
Total liabilities	<u>18,226,873</u>	<u>22,559,164</u>	<u>4,772,815</u>	<u>5,598,290</u>	<u>22,999,688</u>	<u>28,157,454</u>
Deferred inflows of resources	<u>256,503</u>	<u>234,601</u>	<u>-</u>	<u>-</u>	<u>256,503</u>	<u>234,601</u>
NET POSITION						
Net investment in capital assets	29,203,707	26,779,995	16,544,576	16,544,576	45,748,283	43,324,571
Restricted	17,082,957	16,754,364	23,984	23,984	17,106,941	16,778,348
Unrestricted	<u>1,353,769</u>	<u>668,504</u>	<u>6,695,968</u>	<u>5,553,149</u>	<u>8,049,737</u>	<u>6,221,653</u>
Total net position	<u>\$ 47,640,433</u>	<u>\$ 44,202,863</u>	<u>\$ 23,264,528</u>	<u>\$ 22,121,709</u>	<u>\$ 70,904,961</u>	<u>\$ 66,324,572</u>

A large portion of the City's Net position (\$29,203,707 or 61.3 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure, acquired since April 1, 2003) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. While bonds payable are associated with the capital expenditures for purposes of categorizing net position, the capital assets themselves are not a source of repayment of the bonds. The bonds are serviced primarily by dedicated sales taxes.

An additional portion of the City's net position represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Changes in Net Position

The City's total revenues for the fiscal year ended March 31, 2014 were \$39,124,334 compared to \$40,673,189 for the fiscal year ended March 31, 2013. The decrease can be primarily attributed to a decrease in Governmental Activities' Capital Grants and Contributions of \$3,127,041 or 69.35 percent. Several capital projects like the Mel Ott Multipurpose Center and the City of Gretna Water Tower projects were constructed in fiscal year 2013.

CITY OF GRETNA, LOUISIANA
CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
March 31, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program revenues:						
Charges for services	\$ 3,068,852	\$ 2,757,026	\$ 5,528,872	\$ 5,388,856	\$ 8,597,724	\$ 8,145,882
Operating grants and contributions	1,120,057	1,990,912	28,976	-	1,149,033	1,990,912
Capital grants and contributions	1,382,092	4,509,133	50,000	-	1,432,092	4,509,133
General revenues:						
Ad valorem	6,735,794	6,413,093	490,093	482,934	7,225,887	6,896,027
Sales	7,022,652	6,740,889	-	-	7,022,652	6,740,889
Franchise	730,981	682,007	-	-	730,981	682,007
Intergovernmental	5,487,177	5,625,900	-	-	5,487,177	5,625,900
Fines and forfeitures	5,776,364	5,307,249	-	-	5,776,364	5,307,249
Licenses and permits	385,704	380,622	-	-	385,704	380,622
Miscellaneous	1,409,426	500,564	13,262	57,474	1,422,688	558,038
Loss on disposal of assets	-	-	(105,968)	(163,470)	(105,968)	(163,470)
Total revenues	33,119,099	34,907,395	6,005,235	5,765,794	39,124,334	40,673,189
EXPENSES						
Governmental activities:						
General government	3,139,827	3,474,520	-	-	3,139,827	3,474,520
Public safety	16,909,669	17,504,191	-	-	16,909,669	17,504,191
Public works	6,237,424	6,147,299	-	-	6,237,424	6,147,299
Culture and recreation	1,695,193	1,267,932	-	-	1,695,193	1,267,932
Cemetery	97,490	59,584	-	-	97,490	59,584
Interest & issue cost on long-term debt	562,594	539,096	-	-	562,594	539,096
Business-Type activities:						
SEWER UTILITY	-	-	3,012,882	2,827,839	3,012,882	2,827,839
WATER UTILITY	-	-	2,888,865	2,741,135	2,888,865	2,741,135
Total expenses	28,642,197	28,992,622	5,901,747	5,568,974	34,543,944	34,561,596
Change in net position before special items and transfers	4,476,902	5,914,773	103,488	196,820	4,580,390	6,111,593
Transfers	(1,039,330)	(5,190,252)	1,039,330	5,190,252	-	-
Change in net position	3,437,572	724,521	1,142,818	5,387,072	4,580,390	6,111,593
Net position - beginning	44,202,862	43,478,343	22,121,709	16,734,637	66,324,571	60,212,980
Net position - ending	\$47,640,434	\$44,202,864	\$23,264,527	\$22,121,709	\$70,904,961	\$66,324,573

The City's total expenses remained relatively steady with a slight decrease of \$17,652. Public safety and Public works expenses decrease for fiscal year 2014. This decrease is associated with expenses related to emergency preparation for Hurricane Isaac in fiscal year 2013.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Governmental Activities

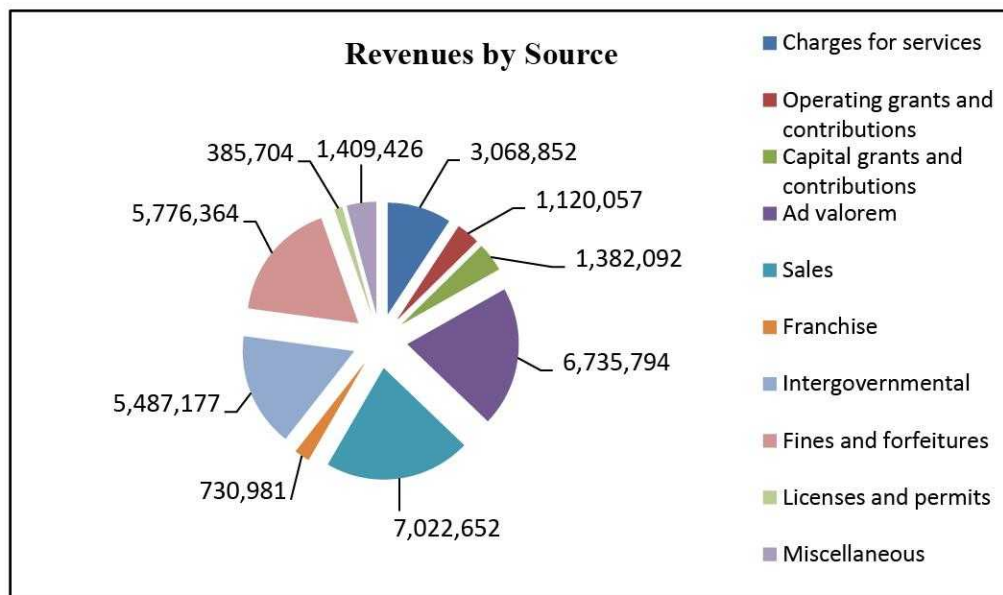
The Governmental Activities of the City include General Government, Public Safety, Public Works, Cemetery, Culture and Recreation, and Miscellaneous Programs. Sales taxes, ad valorem taxes, franchise taxes, and intergovernmental revenues as well as occupational licenses and fines fund most of these governmental activities.

General Revenues and Program Revenues

General revenues and program revenues are those available for the City to use to pay for the governmental activities described above. The following chart shows the City's general revenues.

CITY OF GRETN, LOUISIANA
Revenues by Source
Governmental Activities
For the Year Ended March 31, 2014

Revenues Source	Revenue 2014	% of Total	Increase (Decrease) from 2013	Percentage Change
Charges for services	\$ 3,068,852	9.27%	\$ 311,825	11.31%
Operating grants and contributions	1,120,057	3.38%	(870,855)	-43.74%
Capital grants and contributions	1,382,092	4.17%	(3,127,041)	-69.35%
Ad valorem	6,735,794	20.34%	322,701	5.03%
Sales	7,022,652	21.20%	281,762	4.18%
Franchise	730,981	2.21%	48,974	7.18%
Intergovernmental	5,487,177	16.57%	(138,722)	-2.47%
Fines and forfeitures	5,776,364	17.44%	469,115	8.84%
Licenses and permits	385,704	1.16%	5,082	1.34%
Miscellaneous	1,409,426	4.26%	908,862	181.57%
Total	\$ 33,119,099	100.00%	\$ (1,788,297)	103.89%



**City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014**

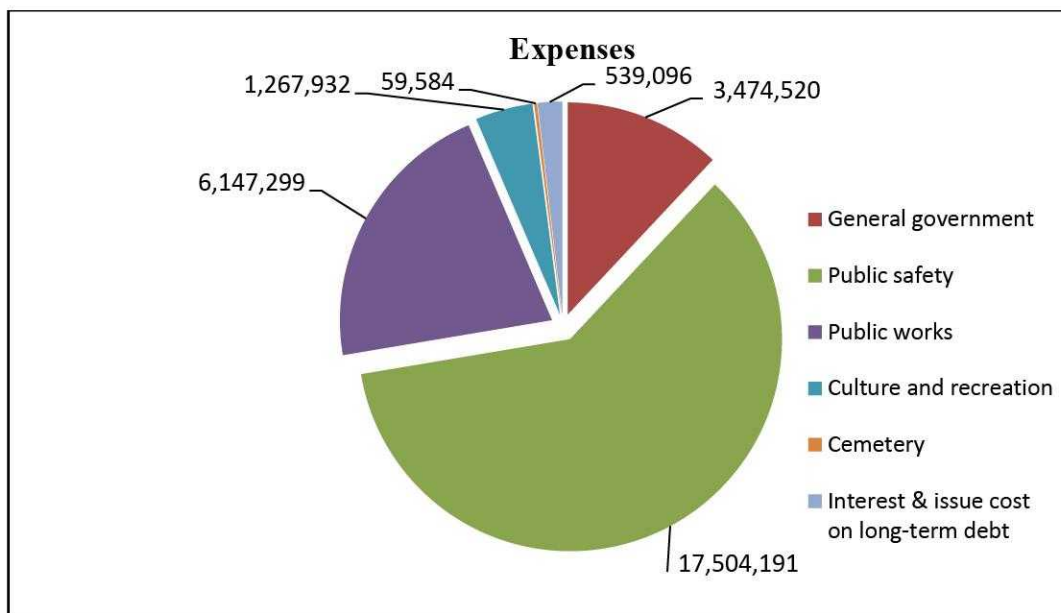
Sales Taxes

Sales taxes are the largest recurring revenue source for the City comprising 21.20 percent of total governmental revenue.

Property Taxes

Property taxes are the second largest recurring revenue source for the City comprising 20.34 percent of governmental revenue. For the year ended March 31, 2014, taxes of 50.55 mills were levied on property inside of the City limits.

General Program Expenses



Business-Type Activities

The Business-Type Activities of the City are those that the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer departments are reported here.

General Fund Budgetary Highlights

In accordance with the provisions of the Lawrason Act, the City Administration submits the annual budget for the City by the end of the prior year. The budget is adopted by Councilmanic action.

Over the course of the year, the City Council revises the City's budget numerous times. These amendments are based on changing needs and additional information to prevent budget overruns and better meet the needs of the City.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Even with the budget adjustments, the General Fund and Capital Projects Fund experienced significant budget variances.

General Fund Revenue – The budget for general fund revenue was increased by \$2,060,126 during the period. Key components of this increase were an increase in budgeted taxes of \$275,632, fines and forfeitures of \$705,564, and state and federal grant revenues of \$842,206. Actual revenues were greater than budgeted revenues by \$1,375,409 or 8.19 percent.

General Fund Expenditures – The budget for general fund expenditures was increased by \$2,353,835 during the period. Key components of this increase were an increase in the Public Safety budget of \$1,629,315, Capital Outlay of \$580,393, and Public Works of \$35,816. Actual expenditures were less than budgeted expenditures by \$154,365 or .90 percent.

Capital Projects Fund Revenues – The budget for Capital Projects Fund Revenue was decreased by \$2,960,900. Key components of this decrease were decreases of revenues from State Grants of \$2,089,000 and Federal Grants in the amount of \$397,000. Budgeted revenues exceeded Actual revenues by \$217,586 or 12.13 percent.

Capital Projects Fund Expenditures – The budget for Capital Projects Fund Expenditures was decreased by \$4,097,243. The decrease in budgeted expenditures involves movement of uncompleted projects from the prior to the current period and from the current period to the subsequent period.

Actual expenditures were less than budgeted expenditures by \$1,827,692 or 34.86 percent. This difference was due to a delay in starting several major projects. These projects were rebudgeted in the subsequent period.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of March 31, 2014 amounts to \$70,411,180 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery, vehicles and equipment, park facilities, etc. and infrastructure assets.

Additional information on the City's capital assets can be found in Note C-3 on pages 36 through 37 of this financial report.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

CITY OF GRETNA
Comparative Statement of Capital Assets
March 31, 2014 and 2013

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,436,342	\$ 3,167,511	\$ 299,988	\$ 299,988	\$ 3,736,330	\$ 3,467,499
Construction in process	2,240,348	11,347,922	-	5,476,227	2,240,348	16,824,149
Building and Improvement	31,706,255	19,099,196	16,762,716	16,763,977	48,468,971	35,863,173
Equipment and furniture, fixtures	9,714,770	10,837,188	25,951	25,951	9,740,721	10,863,139
Vehicles and road machinery	4,753,412	5,086,973	30,355,239	24,390,686	35,108,651	29,477,659
Historical Infrastructure	17,273,617	17,273,617	-	-	17,273,617	17,273,617
	<u>69,124,744</u>	<u>66,812,407</u>	<u>47,443,894</u>	<u>46,956,829</u>	<u>116,568,638</u>	<u>113,769,236</u>
Less: accumulated depreciation	(25,845,038)	(25,029,304)	(20,312,421)	(20,196,867)	(46,157,459)	(25,029,304)
Capital assets, net	<u>\$ 43,279,706</u>	<u>41,783,103</u>	<u>27,131,473</u>	<u>26,759,962</u>	<u>70,411,179</u>	<u>88,739,932</u>

Long-Term Debt

Total long-term debt for the year ended March 31, 2014 is \$17,816,079. Long-term debt decreased by \$1,437,669 during this fiscal year.

Governmental Activity

	2014	2013
Bonded Debt	\$ 14,076,000	\$ 14,615,425
EPA Brownsfield Loan	488,500	488,500
Compensated Absences	1,643,392	1,512,943
Capital Lease	-	73,134
Community Disaster Loan	-	1,022,961
Promissory Note	389,000	-
	<u>16,596,892</u>	<u>17,712,963</u>

Business Type Activity

Water Fund Participation Notes	480,656	580,597
Sewer Fund Participation Notes	738,531	892,090
Water Capital Lease	-	68,098
	<u>1,219,187</u>	<u>1,540,785</u>
Total Long-term Debt	<u>\$ 17,816,079</u>	<u>\$ 19,253,748</u>

This decrease can be attributed primarily to the pay-off of capital leases of \$141,232 and the forgiveness of the CDL loan of \$1,022,961.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2014

Economic Factors and Next Year's Budget

Economic Factors

The projected budget of the City of Gretna is a best estimate of revenues and expenditures during strained economic conditions. Property tax revenues have experienced moderate growth with an expected increase as the completion of several new developments city-wide are added to the City's tax roll. The projected expenditures have remained constant to meet the demands of operating the City of Gretna.

The expansion of the Westside North Shopping Center through the closure of the Franklin Street corridor has introduced several new businesses to the City. New businesses such as Planet Fitness, Smoothie King, and Rouses Supermarket have had a positive effect on the City's sales tax revenues. Additionally, the first phase of a multi-million dollar hotel development is underway with an expected completion for fall 2015.

Budgets

The City's budget for the fiscal year April 1, 2014 to March 31, 2015 was introduced in open session on March 12, 2014 and adopted by Ordinance 4572 on March 27, 2014. The total City Budget anticipates revenues of \$43,196,797 and expenditures of \$47,987,765.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Raylyn Stevens, CPA, Finance Director, P.O. Box 404, Gretna, Louisiana 70054-0404.

BASIC FINANCIAL STATEMENTS

CITY OF GRETN, LOUISIANA
STATEMENT OF NET POSITION
March 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,115,144	\$ -	\$ 8,115,144
Investments	5,117,330	-	5,117,330
Receivables, net	1,260,832	540,029	1,800,861
Due from other funds	2,734,031	-	2,734,031
Due from other governments	3,051,217	-	3,051,217
Prepaid expenditures	177,871	-	177,871
Restricted Cash	1,530,702	-	1,530,702
Restricted investments	524,086	365,840	889,926
Unamortized bond cost	332,891	-	332,891
Capital Assets (net)	43,279,706	27,131,474	70,411,180
Total assets	<u>66,123,810</u>	<u>28,037,343</u>	<u>94,161,153</u>
LIABILITIES			
Accounts payable	854,163	112,950	967,113
Current portion of long-term debt	796,833	267,500	1,064,333
Accrued liabilities	412,470	64,041	476,511
Due to other funds	-	2,734,030	2,734,030
Customer deposits	-	445,942	445,942
Non-current portion of accrued liabilities	1,381,317	196,665	1,577,982
Non-current portion of post employment benefit obligation	625,424	-	625,424
Non-current portion of long-term obligations	14,156,666	951,687	15,108,353
Total liabilities	<u>18,226,873</u>	<u>4,772,815</u>	<u>22,999,688</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	256,503	-	256,503
NET POSITION			
Net investment in capital assets	29,203,707	16,544,576	45,748,283
Restricted for:			
Capital projects	2,923,913	23,984	2,947,897
Debt service	1,600,426	-	1,600,426
Other purposes	12,558,618	-	12,558,618
Unrestricted	1,353,769	6,695,968	8,049,737
Total net position	<u>\$ 47,640,433</u>	<u>\$ 23,264,528</u>	<u>\$ 70,904,961</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,139,827	\$ 915,467	\$ -	\$ -	\$ (2,224,360)	\$ -	\$ (2,224,360)
Public safety	16,909,669	559,976	744,326	-	(15,605,367)	-	(15,605,367)
Public works	6,237,424	1,503,310	-	1,382,092	(3,352,022)	-	(3,352,022)
Culture and recreation	1,695,193	90,098	375,731	-	(1,229,364)	-	(1,229,364)
Cemetery	97,490	-	-	-	(97,490)	-	(97,490)
Interest & issue cost on long-term debt	562,594	-	-	-	(562,594)	-	(562,594)
Total governmental activities	<u>28,642,197</u>	<u>3,068,851</u>	<u>1,120,057</u>	<u>1,382,092</u>	<u>(23,071,197)</u>	<u>-</u>	<u>(23,071,197)</u>
Business-type activities:							
Water	2,888,865	2,877,894	26,899	50,000	-	65,928	65,928
Sewer	3,012,882	2,650,978	2,076	-	-	(359,828)	(359,828)
Total business-type activities	<u>5,901,747</u>	<u>5,528,872</u>	<u>28,975</u>	<u>50,000</u>	<u>-</u>	<u>(293,900)</u>	<u>(293,900)</u>
Total primary government	<u>\$ 34,543,944</u>	<u>\$ 8,597,723</u>	<u>\$ 1,149,032</u>	<u>\$ 1,432,092</u>	<u>(23,071,197)</u>	<u>(293,900)</u>	<u>(23,365,097)</u>
General revenues:							
Taxes:							
Ad valorem taxes					6,735,794	490,093	7,225,887
Franchise taxes					730,981	-	730,981
Sales taxes					7,022,652	-	7,022,652
Occupational licenses					385,704	-	385,704
Intergovernmental revenues					5,487,177	-	5,487,177
Fines and forfeitures					5,776,364	-	5,776,364
Investment earnings					7,367	132	7,499
Gain (loss) on sale of capital assets					(73,362)	(105,968)	(179,330)
Miscellaneous					1,475,421	13,129	1,488,550
Transfers					<u>(1,039,330)</u>	<u>1,039,330</u>	<u>-</u>
Total general revenues, special items, and transfers					<u>26,508,768</u>	<u>1,436,716</u>	<u>27,945,484</u>
Change in net position					<u>3,437,571</u>	<u>1,142,816</u>	<u>4,580,387</u>
Net position - beginning					<u>44,202,862</u>	<u>22,121,709</u>	<u>66,324,571</u>
Net position - ending					<u>\$ 47,640,433</u>	<u>\$ 23,264,525</u>	<u>\$ 70,904,958</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2014

	GENERAL FUND	FIRE PROTECTION FUND	RIVERBOAT CASINO FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 3,399,248	\$ 2,140,486	\$ 859,438	\$ -	\$ -	\$ 1,715,972	\$ 8,115,144
Investments	3,298,259	-	-	1,819,071	-	-	5,117,330
Receivables, net	618,395	200,611	-	-	103,477	338,348	1,260,831
Due from other funds	2,991,195	-	-	112,468	-	-	3,103,663
Due from other governments	1,367,938	-	121,630	813,595	-	748,054	3,051,217
Prepaid Insurance	177,871	-	-	-	-	-	177,871
Restricted assets: Cash and cash equivalents	33,753	-	-	-	1,496,949	-	1,530,702
Restricted assets: Investments	524,086	-	-	-	-	-	524,086
Total assets	<u>\$ 12,410,745</u>	<u>\$ 2,341,097</u>	<u>\$ 981,068</u>	<u>\$ 2,745,134</u>	<u>\$ 1,600,426</u>	<u>\$ 2,802,374</u>	<u>\$ 22,880,844</u>
LIABILITIES							
Accounts payable	\$ 445,588	\$ 29,782	\$ -	\$ 149,641	\$ -	\$ 229,153	\$ 854,164
Accrued liabilities	150,293	-	-	-	-	102	150,395
Due to other funds	112,468	-	-	-	-	257,164	369,632
Total liabilities	<u>708,349</u>	<u>29,782</u>	<u>-</u>	<u>149,641</u>	<u>-</u>	<u>486,419</u>	<u>1,374,191</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources	256,503	-	-	-	-	-	256,503
Total deferred inflow of resources	<u>256,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,503</u>
Total liabilities and deferred inflows of resources	<u>964,852</u>	<u>29,782</u>	<u>-</u>	<u>149,641</u>	<u>-</u>	<u>486,419</u>	<u>1,630,694</u>
FUND BALANCES (DEFICITS)							
Nonspendable							
Prepaid expenditures	177,871	-	-	-	-	-	177,871
Restricted							
Debt service	-	-	-	-	1,600,426	-	1,600,426
Committed							
Capital projects fund	-	-	-	2,595,493	-	-	2,595,493
Encumbrances	156,044	-	-	-	-	172,376	328,420
Emergency preparation	403,771	-	-	-	-	-	403,771
Contingencies	3,303,486	-	-	-	-	-	3,303,486
Separation and settlement	1,029,851	-	-	-	-	-	1,029,851
Assigned							
Court Management	379,446	-	-	-	-	-	379,446
Culture & Recreation	-	-	-	-	-	561,467	561,467
Public safety	-	2,311,315	-	-	-	958,627	3,269,942
Public works	-	-	-	-	-	373,485	373,485
Subsequent year expenditures	1,828,231	-	981,068	-	-	250,000	3,059,299
Unassigned							
General Fund	4,167,193	-	-	-	-	-	4,167,193
Total fund balances (deficits)	<u>11,445,893</u>	<u>2,311,315</u>	<u>981,068</u>	<u>2,595,493</u>	<u>1,600,426</u>	<u>2,315,955</u>	<u>21,250,150</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,410,745</u>	<u>\$ 2,341,097</u>	<u>\$ 981,068</u>	<u>\$ 2,745,134</u>	<u>\$ 1,600,426</u>	<u>\$ 2,802,374</u>	<u>\$ 22,880,844</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
March 31, 2014

Fund balances of governmental funds	\$ <u>21,250,151</u>
-------------------------------------	----------------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	69,124,744	
Less: accumulated depreciation	<u>(25,845,038)</u>	43,279,706

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	(14,564,499)	
Unamortized bond cost	332,891	
Post employment benefit obligation	(625,424)	
Accrued compensated absences	(1,643,392)	
Promissory Note	<u>(389,000)</u>	
		<u>(16,889,424)</u>

Net position of governmental activities	\$ <u><u>47,640,433</u></u>
---	-----------------------------

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended March 31, 2014

	GENERAL FUND	FIRE PROTECTION	RIVERBOAT CASINO	CAPITAL PROJECTS	DEBT SERVICE	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes							
Ad valorem	\$ 2,378,818	\$ 2,216,750	\$ -	\$ -	\$ -	\$ 2,140,226	\$ 6,735,794
Sales	5,759,901	-	-	-	1,241,728	21,023	7,022,652
Franchise	730,981	-	-	-	-	-	730,981
Intergovernmental	1,716,525	99,021	1,995,454	1,382,092	-	2,770,504	7,963,596
Charges for services	169,816	-	-	-	-	2,153,385	2,323,201
Fines and forfeitures	5,776,364	-	-	-	-	-	5,776,364
Licenses and permits	1,131,354	-	-	-	-	-	1,131,354
Miscellaneous	513,538	-	-	22,848	209	130,190	666,785
Total revenues	<u>18,177,297</u>	<u>2,315,771</u>	<u>1,995,454</u>	<u>1,404,940</u>	<u>1,241,937</u>	<u>7,215,328</u>	<u>32,350,727</u>
EXPENDITURES							
Current:							
General government	2,662,325	-	-	-	-	-	2,662,325
Public safety	10,699,131	1,768,130	-	-	-	3,501,234	15,968,495
Public works	2,712,880	-	-	483,037	-	1,796,210	4,992,127
Culture and recreation	-	-	-	-	-	1,393,277	1,393,277
Cemetery	97,490	-	-	-	-	-	97,490
Capital outlay:	807,748	185,362	-	2,931,487	-	309,636	4,234,233
Debt service:							
Principal retirement	73,134	-	-	-	710,000	-	783,134
Interest	2,916	-	-	-	531,220	-	534,136
Total expenditures	<u>17,055,624</u>	<u>1,953,492</u>	<u>-</u>	<u>3,414,524</u>	<u>1,241,220</u>	<u>7,000,357</u>	<u>30,665,217</u>
Excess (deficiency) of revenues over expenditures	<u>1,121,673</u>	<u>362,279</u>	<u>1,995,454</u>	<u>(2,009,584)</u>	<u>717</u>	<u>214,971</u>	<u>1,685,510</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	646,463	300,000	-	2,878,893	-	374,150	4,199,506
Transfers out	(2,298,261)	-	(1,650,000)	(1,239,330)	-	(51,245)	(5,238,836)
Proceeds of 2009A Bonds	-	-	-	170,574	-	-	170,574
Total other financing source (uses)	<u>(1,651,798)</u>	<u>300,000</u>	<u>(1,650,000)</u>	<u>1,810,137</u>	<u>-</u>	<u>322,905</u>	<u>(868,756)</u>
Net change in fund balances	(530,125)	662,279	345,454	(199,447)	717	537,876	816,754
Fund balances - beginning	11,976,018	1,649,036	635,614	2,794,941	1,599,709	1,778,080	20,433,398
Fund balances - ending	<u>\$ 11,445,893</u>	<u>\$ 2,311,315</u>	<u>\$ 981,068</u>	<u>\$ 2,595,494</u>	<u>\$ 1,600,426</u>	<u>\$ 2,315,956</u>	<u>\$ 21,250,152</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended March 31, 2014

Net change in fund balances - total governmental funds	\$ 816,754
--	------------

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period.

1,107,604

The net effect of various miscellaneous transactions involving capital assets (i.e. sales trade-ins, and donations) is to increase (decrease) net position.

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds because:

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

510,968

Forgiveness of Special Community Disaster Loan Payable

1,022,961

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Increase in compensated absences	(130,449)
Repayment of capital lease obligation	73,134
Decrease in post employment benefits obligation	36,599
	(20,716)
Change in net position of governmental activities	\$ 3,437,571

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2014

	Business-type Activities		
	Enterprise Funds		
	WATER UTILITY	SEWER UTILITY	Total Enterprise Funds
ASSETS			
Current assets:			
Receivables, net	\$ 249,888	\$ 290,141	\$ 540,029
Total current assets	249,888	290,141	540,029
Noncurrent assets:			
Restricted assets: Investments	365,840	-	365,840
Capital assets, net	9,077,252	18,054,222	27,131,474
Total noncurrent assets	9,443,092	18,054,222	27,497,314
Total assets	9,692,980	18,344,363	28,037,343
LIABILITIES			
Current liabilities:			
Current portion of long-term debt	107,000	160,500	267,500
Accounts payable	63,411	49,539	112,950
Accrued liabilities	16,906	-	16,906
Accrued compensated absences	24,633	22,501	47,134
Total current liabilities	211,950	232,540	444,490
Noncurrent liabilities:			
Customer deposits	445,942	-	445,942
Notes payable	373,656	578,031	951,687
Accrued compensated absences	99,219	97,446	196,665
Due to other funds	570,255	2,163,776	2,734,031
Total noncurrent liabilities	1,489,072	2,839,253	4,328,325
Total liabilities	1,701,022	3,071,793	4,772,815
NET POSITION			
Net investment in capital assets	6,693,960	9,850,616	16,544,576
Restricted for:			
Capital projects	-	23,984	23,984
Unrestricted	1,297,998	5,397,970	6,695,968
Total net position	\$ 7,991,958	\$ 15,272,570	\$ 23,264,528

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended March 31, 2014

	Business-type Activities		
	Enterprise Funds		
	WATER UTILITY	SEWER UTILITY	Total Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 2,877,894	\$ 2,650,978	\$ 5,528,872
Miscellaneous	13,129	-	13,129
Total operating revenues	<u>2,891,023</u>	<u>2,650,978</u>	<u>5,542,001</u>
OPERATING EXPENSES			
Personnel expense	1,328,622	1,001,728	2,330,350
Operating supplies and purchases	326,299	122,811	449,110
Building and maintenance expenses	220,311	178,902	399,213
Outside service	141,385	767,730	909,115
Transportation	48,130	27,066	75,196
General expenses	262,200	247,416	509,616
Depreciation	555,888	658,210	1,214,098
Total operating expenses	<u>2,882,835</u>	<u>3,003,863</u>	<u>5,886,698</u>
Operating income (loss)	<u>8,188</u>	<u>(352,885)</u>	<u>(344,697)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	132	-	132
Federal grant	26,899	2,076	28,975
State grant	50,000	-	50,000
Loss on disposal of assets	(90,387)	(15,581)	(105,968)
Ad valorem taxes	-	490,093	490,093
Interest expense	(6,029)	(9,018)	(15,047)
Total nonoperating revenues (expenses)	<u>(19,385)</u>	<u>467,570</u>	<u>448,185</u>
Income (loss) before contributions and transfers	<u>(11,197)</u>	<u>114,685</u>	<u>103,488</u>
Transfers in	<u>408,541</u>	<u>630,790</u>	<u>1,039,331</u>
Change in net position	<u>397,344</u>	<u>745,475</u>	<u>1,142,819</u>
Total net position - beginning	<u>7,594,614</u>	<u>14,527,095</u>	<u>22,121,709</u>
Total net position - ending	<u>\$ 7,991,958</u>	<u>\$ 15,272,570</u>	<u>\$ 23,264,528</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended March 31, 2014

	Business-type Activities - Enterprise Funds		
	WATER UTILITY	SEWER UTILITY	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 2,918,585	\$ 2,673,818	\$ 5,592,403
Payments to employees	(1,326,055)	(999,626)	(2,325,681)
Payments to suppliers	(1,254,494)	(1,501,847)	(2,756,341)
Refunds of customer meter deposits	24,865	-	24,865
Net cash provided (used) by operating activities	362,901	172,345	535,246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	-	490,093	490,093
Net cash provided (used) by noncapital financing activities	-	490,093	490,093
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds for sale of capital assets	(90,387)	(15,581)	(105,968)
Increase (decrease) in compensated absences	4,565	(72,486)	(67,921)
Operating transfers in	408,541	630,790	1,039,331
Purchases of capital assets	(471,904)	(1,113,707)	(1,585,611)
Loans and loan repayments received from other funds	(690,702)	-	(690,702)
Loans to and repayments of loans to other funds	570,255	69,047	639,302
Interest paid on capital debt	(6,029)	(9,018)	(15,047)
Principal paid on capital debt	(168,039)	(153,559)	(321,598)
Federal grants	26,899	2,076	28,975
State grants	50,000	-	50,000
Net cash provided (used) by capital and related financing activities	(366,801)	(662,438)	(1,029,239)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(142,877)	-	(142,877)
Interest and dividends	132	-	132
Net cash provided (used) by investing activities	(142,745)	-	(142,745)
Net increase (decrease) in cash and cash equivalents	(146,645)	-	(146,645)
Balances - beginning of year	146,645	-	146,645
Balances - end of the year	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 8,188	\$ (352,885)	\$ (344,697)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	\$ 555,888	\$ 658,210	\$ 1,214,098
Changes in assets and liabilities:			
Accounts Payable - Supplier	(256,168)	(157,921)	(414,089)
Customer Receivables	27,561	22,840	50,401
Customer meter deposits payable	24,865	-	24,865
Accrued expenses	2,567	2,101	4,668
Net cash provided (used) by operating activities	\$ 362,901	\$ 172,345	\$ 535,246

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Statement

The City of Gretna, Louisiana (the City) was incorporated in June 1913, under the provisions of the Lawrason Act. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the *Louisiana Municipal Audit and Accounting Guide*, and the industry audit guide, *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The accompanying basic financial statements have been prepared in conformity with GASB 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The more significant accounting policies of the City are described below.

2. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City has no component units.

3. Basis of Presentation

The government-wide financial statements (the statement of net position) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Fire Protection Fund

The Fire Protection Fund is used to account for 16.87 mills in ad valorem tax specifically dedicated for the purchase and maintenance of fire fighting equipment and to provide for payment of contractual obligations to the City's two volunteer fire companies to provide fire protection to the City and its citizens.

Riverboat Casino Fund

The Riverboat Casino Fund is used to account for the collection of revenues dedicated to the City by Jefferson Parish from the operations of the Boomtown Belle Casino. These revenues are dedicated annually to various City funds by action of the City Council.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation (Continued)

Capital Projects Fund

The Capital Projects Fund is used to account for all resources and expenditures in connection with the acquisition of capital facilities and major capital improvements.

Debt Service Fund

The Debt Service Fund is used to account for the collection of Sales Tax revenues and the payment of principal and interest on the Series 2004, 2009A and 2009B Sales Tax Bonds.

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Municipal Waterworks System Fund

The Municipal Waterworks System Fund is used to account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Municipal Sewer System Fund

The Municipal Sewer System Fund is used to account for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service billing.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the Parish at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

5. Budgets and Budgetary Accounting

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the City Council a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted through Councilmanic ordinance.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Budgets and Budgetary Accounting (Continued)

- d. Any revisions that alter the total expenditures of a department or line item changes within the department greater than \$10,000 must be approved by the City Council. Any revisions less than \$10,000 can be changed by the finance director for city departments with approval of the Mayor or for police department with approval of the Chief of Police.
- e. The level of budget control is at the division, department, or project level; and expenditures/encumbrances may not exceed appropriations until additional appropriations have been provided. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Effective control of cost is, therefore, maintained by Councilmanic action that approves a budget for each project and is controlled on a project life basis.
- f. Budgets for the General Fund, Special Revenue Funds, Capital Projects Fund and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Budgetary comparisons presented for the General Fund, Major Special Revenue Funds, and Capital Projects Fund in the accompanying financial statements are on this non-GAAP budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the City Council.
- g. All unencumbered appropriations lapse at the end of each fiscal year.

6. Cash and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the City may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

The City maintains a cash investment pool (Central Depository Account) that is used by all of the City's funds. Each fund's portion of this cash pool is displayed on the combined balance sheet as cash. Investments are separately held by several of the City's funds.

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

8. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “due from or to other funds”.

9. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

10. Restricted Assets

Restricted Assets include cash and investments in the General, Capital Projects, Sales Tax and Proprietary Funds which are restricted as to their use. These restrictions are principally related to requirements of bond issues, utility meter deposits, and funds dedicated for future needs or obligations. It is the City’s policy to use restricted assets before unrestricted assets for their intended purpose.

11. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Description</u>	<u>Life In Years</u>
Buildings	25-40
Water and Sewer Systems	40
Infrastructure	20-40
Machinery and Equipment	5-20
Improvements	20-30

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Compensated Absences

Employees are allowed to accrue annual leave, in addition, employees are allowed to accrue up to 45 days of sick leave. The balance accumulated is paid to employees upon termination. The current and non-current portion of this obligation in the governmental funds are recorded in the government-wide financial statements. The current and non-current balance of this obligation in the proprietary funds are recorded in the fund financial statements.

13. Long Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the applicable governmental activities statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable, are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Payments of principal and interest are recorded as expenditures only when due.

14. Fund Equity

Equity Classifications

Government-Wide Financial Statements

In the Government-Wide Financial Statements equity is classified as net position and displayed in three components:

- a. **Invested in capital assets, net of related debt** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of assets with constraints placed on the use either by:
 - 1. external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 - 2. law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Equity (Continued)

Fund Financial Statements

During the fiscal year ended March 31, 2013, the City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- a. **Nonspendable** – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. **Restricted** – This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributions, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- c. **Committed** – This component consists of amounts that can only be used for specific purposes determined by a formal decision of the City Council, which is the highest level of decision making authority for the City. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to commit those amounts.
- d. **Assigned** – This component consists of amounts that are constrained by the City Council Members' intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Council.
- e. **Unassigned** – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then unassigned as they are needed. The City does not have a formal minimum fund balance policy.

15. Revenues and Expenditure Recognition

- a. **Ad Valorem Taxes.** Ad Valorem taxes are recognized in the fiscal year in which the taxes are levied. Taxes are due and become an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). City taxes are billed and collected by the City.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Revenues and Expenditure Recognition (Continued)

a. Ad Valorem Taxes. (Continued)

Taxes become delinquent on January 1st in the year after levy. Taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of its fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City and are distributed to its funds as follows:

<u>FUND</u>	2013 MILLAGE	
	City of Gretna	Timberlane Subdivision
General Fund	15.44	15.44
Fire Protection Fund	16.87	
Recreation Fund	4.50	4.50
Street Light Improvements Fund	2.82	2.82
Ambulance Fund	6.69	6.69
Social Services For The Aged Fund	0.50	0.50
Minicipal Sewer System Fund	3.73	
	<u>50.55</u>	<u>29.95</u>

b. Sales and use tax. For the year ended March 31, 2014, a 4.75% local sales and use tax was levied and collected within the City of Gretna by the Jefferson Parish Sheriff's Office of which 3.25% was received by the City of Gretna and dedicated for the following purposes:

1/4 percent is levied by law enforcement

1954 ½ percent sales tax collected solely for the purpose of constructing and maintaining public roads, highways and bridges within the city.

1966 ½ percent sales tax collected for general purposes determined by the Council.

1981 ½ percent sales tax is collected and distributed as follows:

1/3 of ½ percent collected parishwide is dedicated for operation and maintenance of city drainage facilities.

2/3 of ½ percent collected for operation, maintenance, and capital improvements of drainage and sewerage facilities.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Revenues and Expenditure Recognition (Continued)

b. Sales and use tax. (Continued)

1984 1 percent sales tax is collected and distributed as follows:

7/8 percent was dedicated to the purchase, construction, acquisition and improvement of the Sewer Capital Program. In 1998, a rededication and extension of this tax was approved to dedicate revenues to the cost of maintenance and replacement of sewerage facilities, and the construction, improvement or maintenance of public roads, streets, or highways located in the city, including the cost of reconstruction, rehabilitation, base stabilization, drainage, adjustments and related sidewalks and curbs. The proceeds of the tax collected within the boundaries, as presently constituted, of each municipality within the Parish shall be returned to each municipality to be used for any lawful purpose. The remaining 1/8 percent of tax collected is to provide funds for law enforcement purposes.

c. Revenues Susceptible to Accrual. Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are property taxes, sales taxes, franchise fees, charges for services, and certain state shared revenues such as beer tax.

16. Deferred Inflows of Resources

The city reports deferred inflows of resources when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the City before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, deferred inflows of resources are removed and revenues are recognize.

NOTE B - STEWARDSHIP AND ACCOUNTABILITY

1. Budgets and Budget Monitoring

The City adopts annual budgets for its governmental and enterprise funds on a basis consistent with generally accepted accounting principles. Details of the budget adoption process are presented at Note A-5.

The City was in compliance with Louisiana Revised Statute 39:1301 in regards to the adoption of its budget.

The following funds had actual revenues under projected revenues for the year ended March 31, 2014:

	Original Budget	Final Budget	Actual Budget Basis	Unfavorable Variance
Capital Projects Fund	\$ 4,930,450	\$ 1,793,100	\$ 1,575,514	\$ (217,586)

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE B – STEWARDSHIP AND ACCOUNTABILITY (Continued)

2. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note C-1 regarding cash, cash equivalents, and investments, the City was in compliance with the deposits and investments laws and regulations.

3. Deficit Fund Equity

As of March 31, 2014, no City funds had deficit fund equities.

4. Compliance With Bond and Other Debt Covenants

As of March 31, 2014, the City was in compliance in all material respects with its various bond and debt covenants.

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS

1. Cash, Cash Equivalents and Investments

a. Cash and Cash Equivalents.

At March 31, 2014, the City's cash and cash equivalents (book balances) total \$9,645,846 of which \$9,584,545 is in interest-bearing demand deposits, \$34,431 in certificate of deposit, and cash on hand of \$26,870. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually agreeable to both parties.

Custodial Credit Risk – Deposits. At March 31, 2014, the City had \$10,322,430 in deposits (collected bank balances) which includes \$34,431 in certificate of deposits. These deposits were fully secured from risk by \$584,431 of federal deposit insurance and \$9,737,999 pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) and therefore not exposed to custodial credit risk.

Even though the deposits are considered uncollateralized (Category 3) under the provisions of GASB Statement 3 since the pledged securities are held, LSA-R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the city that the fiscal agent bank has failed to pay deposited funds upon demand.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

b. Investments

The City's investments in the Louisiana Asset Management Pool (LAMP) total \$5,957,256. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments. The City also has an investment in a certificate of deposit with a local banking institution in the amount of \$50,000 with a maturity date of July 17, 2014.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Interest Rate Risk - Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to fully recover the value of the investment. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

2. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ad valorem, sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem, sales tax, franchise tax, and grants and other similar

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

2. Receivables (Continued)

intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The following is a summary of receivables for March 31, 2014, net of allowances for uncollectible amounts where applicable:

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Funds
Taxes:			
Ad valorem	\$ 205,957	\$ 392,242	\$ 48,120
Sales and use	412,438	105,397	-
Other	-	-	-
Intergovernmental			
Federal-grant	124,015	-	-
State-grant	-	6,447	-
Other	1,057,001	1,676,832	-
Other:			
Accounts	-	144,798	491,907
Other	<u>186,922</u>	<u>-</u>	<u>2</u>
Total	<u>\$ 1,986,333</u>	<u>\$ 2,325,716</u>	<u>\$ 540,029</u>

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The following details the description and amount of the allowance for uncollectible accounts at March 31, 2014.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

2. Receivables (Continued)

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Funds
Taxes:			
Ad valorem	\$ 230,346	\$ 427,227	\$ 54,851
Other:			
Accounts	<u>-</u>	<u>24,844</u>	<u>56,712</u>
Total	<u>\$ 230,346</u>	<u>\$ 452,071</u>	<u>\$ 111,562</u>

3. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended March 31, 2014:

Governmental Activities:	Balance <u>March 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>March 31, 2014</u>
Capital Assets Not Depreciated				
Land	<u>\$ 3,167,511</u>	<u>\$ 268,831</u>	<u>\$ -</u>	<u>\$ 3,436,342</u>
Other Capital Assets:				
Buildings & Improvements	\$ 19,099,196	\$ 12,607,059	\$ -	\$ 31,706,255
Furniture, fixtures and equipment	10,837,188	478,592	1,601,011	9,714,769
Vehicles and road machinery	5,086,973	376,324	709,885	4,753,412
Construction in progress	11,347,922	3,301,364	12,408,936	2,240,350
Historical Infrastructure	<u>17,273,617</u>	<u>-</u>	<u>-</u>	<u>17,273,617</u>
Total Other Capital Assets	<u>\$ 63,644,896</u>	<u>\$ 16,763,339</u>	<u>\$ 14,719,832</u>	<u>\$ 65,688,403</u>
Less Accumulated Depreciation:				
Buildings & Improvements	\$ 4,766,696	\$ 1,276,187	\$ -	\$ 6,042,883
Furniture, fixtures and equipment	7,452,871	822,934	1,519,095	6,756,710
Vehicles and road machinery	4,097,558	395,532	631,061	3,862,029
Construction in progress	-	-	-	-
Historical Infrastructure	<u>8,712,179</u>	<u>471,237</u>	<u>-</u>	<u>9,183,416</u>
	<u>\$ 25,029,304</u>	<u>\$ 2,965,890</u>	<u>\$ 2,150,156</u>	<u>\$ 25,845,038</u>
Other Capital Assets Net	\$ 38,615,592	\$ 13,797,449	\$ 12,569,676	\$ 39,843,365
Totals	<u>\$ 41,783,103</u>	<u>\$ 14,066,280</u>	<u>\$ 12,569,676</u>	<u>\$ 43,279,707</u>

Governmental activities capital assets net of accumulated depreciation at March 31, 2014 are comprised of the following:

General Capital Assets, Net	<u>\$ 43,279,707</u>
Total	<u>\$ 43,279,707</u>

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

3. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 477,502
Public Safety	941,174
Public Works	1,245,298
Culture and Recreation	<u>301,916</u>
Total	<u>\$ 2,965,890</u>

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended March 31, 2014:

	<u>March 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2014</u>
Business-Type Activities:				
Land	\$ 299,988	\$ -	\$ -	\$ 299,988
Buildings	16,763,977	-	1,261	16,762,716
Furniture and fixtures	25,951	-	-	25,951
Equipment and Vehicles	24,390,686	7,167,805	1,203,252	30,355,239
Construction in Progress	<u>5,476,227</u>	<u>1,040,830</u>	<u>6,517,057</u>	<u>-</u>
	\$ 46,956,829	\$ 8,208,635	\$ 7,721,570	\$ 47,443,894
Less: Accumulated Depreciation for:				
Buildings and Equipment	<u>20,196,867</u>	<u>1,214,099</u>	<u>1,098,545</u>	<u>20,312,421</u>
Total	<u>\$ 26,759,962</u>	<u>\$ 6,994,536</u>	<u>\$ 6,623,025</u>	<u>\$ 27,131,473</u>

Property, plant, and equipment are stated at cost, less an allowance for accumulated depreciation.

Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	25-40 years
Equipment	5-20 years
Infrastructure	20-40 years

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The adjustment from governmental funds to the government-wide statements is summarized as follows:

Primary Government	
Capital Outlay	\$ 4,234,233
Gain on sale of assets	(160,739)
Depreciation expense	<u>(2,965,890)</u>
Total Adjustment	<u>\$ 1,107,604</u>

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

4. Short-Term Debt

The City issued certificate of indebtedness depositing the proceeds in its general fund in fiscal year 2013. The proceeds were necessary in advance of property tax collections. This short-term debt was necessary to level the city's cash flow required to complete projects while awaiting grant reimbursements and property tax collections which became due in December. The certificate of indebtedness was paid off during the 2014 fiscal year.

Short-term debt activity for the year ended March 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>
Certificate of Indebtedness	\$ 1,000,000	\$ -	\$ 1,000,000

5. Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of March 31, 2014, the governmental long-term debt of the financial reporting entity consisted of the following:

Compensated absences:

Employees accumulated balance recorded in the government-wide financial statements	\$ 1,643,392
--	--------------

Sales Tax Bonds Series 2004

\$10,880,000 Serial Bonds dated February 6, 2004; Due in Annual Installments of \$420,000 to \$765,000 through February, 2024; Interest at 2.00% to 4.50% (Payable from pledge of the City's 1955 1% and 1966 1/2% Sales and Use Tax)	\$ 6,375,000
---	--------------

Sales Tax Bonds Series 2009B

\$5,220,000 Serial Bonds dated February 5, 2010; Due in Annual Installments of \$35,000 to \$1,010,000 through February, 2029; Interest at 2.5% to 4.125% (Payable from pledge of the City's 1955 1% and 1966 1/2% Sales and Use Tax)	\$ 5,105,000
---	--------------

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

5. Long-Term Debt (continued)

Sales Tax Bonds Series 2009A-State Revolving Fund

\$3,228,000 Serial Bonds dated June, 2010 purchased by "DEQ"; (City has not drawn down all proceeds available. See detail of draw downs and retirements on the following page); Due in Annual Installments of \$156,000 to \$185,000 through February, 2029; Interest at .45% (Payable from pledge of the City's 1955 1% and 1966 1/2% Sales and Use Tax)

\$ 2,596,000

EPA Brownsfield Loan
Revolving loan

\$ 488,500

Promissory Note

\$389,000 promissory note dated October 9, 2013, due in 6 annual installments of \$64,833. This note is non-interest bearing

\$ 389,000

Total Government Activity Debt

\$ 16,596,892

Business-Type Activities:

As of March 31, 2014, the long-term debt payable from proprietary fund resources consisted of the following:

Participation Notes:

Participation Notes (payable from fees paid by Municipal Waterworks and Sewer Fund Customers) were borrowed from a line of credit totaling \$4,000,000 made available to the City of Gretna by the Louisiana Local Government Environmental Facilities and Community Development Authority. These Notes carry an adjustable rate of interest at 1% over the "Bond Market Association Index". Final payment is due May 31, 2018. This debt is reflected as a liability in the City's Municipal Waterworks and Sewer System Fund.

\$ 1,219,187

Total Business-Type Activity Debt

\$ 1,219,187

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

5. Long-Term Debt (Continued)

The following is a summary of changes in long-term debt for the year ended March 31, 2014:

Type of Debt	Balance at March 31, 2013	Additions or Bonds Issued	Bonds Retired and Other Deductions	Balance at March 31, 2014
Governmental Activities:				
Compensated Absences	\$ 1,512,943	\$ 130,449	\$ -	\$ 1,643,392
Sales Tax Bonds Series 2004	6,885,000	-	510,000	6,375,000
Sales Tax Bonds Series 2009B	5,145,000	-	40,000	5,105,000
Sales Tax Bonds Series 2009A-"DEQ"	2,585,425	170,575	160,000	2,596,000
EPA Brownsfield Loan	488,500	-	-	488,500
Community Disaster Loan	1,022,961	-	1,022,961	-
Promissory Note	-	545,088	156,088	389,000
Capital Lease	73,134	-	73,134	-
Total General Long-Term Debt	<u>\$ 17,712,963</u>	<u>\$ 846,112</u>	<u>\$ 1,962,183</u>	<u>\$ 16,596,892</u>
Business-Type Activities:				
Water Fund Participation Notes	\$ 580,597	\$ -	\$ 99,941	\$ 480,656
Sewer Fund Participation Notes	892,090	-	153,559	738,531
Water Capital Lease	68,098	-	68,098	-
Total Business Type Activities Debt	<u>\$ 1,540,785</u>	<u>\$ -</u>	<u>\$ 321,598</u>	<u>\$ 1,219,187</u>

At March 31, 2014, the City of Gretna, Louisiana has accumulated \$1,600,426 in the Debt Service Fund for future debt requirements for the Sales Tax Bonds. The annual requirements to amortize all bonds and/or Participation Notes outstanding at March 31, 2014, including interest of \$4,563,152 are as follows:

Year Ending Date	Sales Tax Bonds Series 2004	Sales Tax Bonds Series 2009B	Sales Tax Bonds Series 2009A "DEQ"	Promissory Note	Sewer and Water Participation Notes	Total
3/31/15	\$ 796,140	\$ 259,081	\$ 186,662	\$ 64,833	\$ 267,500	\$ 1,574,216
3/31/16	796,265	257,881	186,123	64,833	278,500	1,583,602
3/31/17	795,640	261,481	186,575	64,833	290,500	1,599,029
3/31/18	797,840	259,907	187,007	64,833	314,000	1,623,587
3/31/19	799,040	258,219	186,421	64,833	68,687	1,377,200
3/31/20 - 2/1/24	3,989,440	1,288,456	932,840	64,833	-	6,275,569
3/31/25 - 2/1/29	-	5,282,144	931,992	-	-	6,214,136
	<u>7,974,365</u>	<u>7,867,169</u>	<u>2,797,619</u>	<u>389,000</u>	<u>1,219,187</u>	<u>20,247,339</u>
Interest Portion	<u>(1,599,365)</u>	<u>(2,762,169)</u>	<u>(201,619)</u>	<u>-</u>	<u>-</u>	<u>(4,563,152)</u>
	<u>\$ 6,375,000</u>	<u>\$ 5,105,000</u>	<u>\$ 2,596,000</u>	<u>\$ 389,000</u>	<u>\$ 1,219,187</u>	<u>\$ 15,684,187</u>

There are a number of limitations and restrictions contained in the bond indenture. The City is in compliance with all significant limitations and restrictions.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

6. Segments of Enterprise Activities

Some services provided by the City of Gretn, Louisiana are financed by user charges, specifically the City's Municipal Waterworks and Sewer Systems. The significant financial data for these enterprises are as follows:

	Water System	Sewerage	Total
Operating Revenues	\$ 2,891,023	\$ 2,650,978	\$ 5,542,001
Operating Expenses			
Depreciation	\$ 555,888	\$ 658,210	\$ 1,214,098
Other Expenses	\$ 2,326,947	\$ 2,345,653	\$ 4,672,600
Total Operating Expenses	\$ 2,882,835	\$ 3,003,863	\$ 5,886,698
Operating Income (Loss)	\$ 8,188	\$ (352,885)	\$ (344,697)
Nonoperating Revenues (Expense)	\$ (19,385)	\$ 467,570	\$ 448,185
Net Income (Loss)	\$ (11,197)	\$ 114,685	\$ 103,488
Transfers	\$ 408,541	\$ 630,790	\$ 1,039,331
Change in Net Position	\$ 397,344	\$ 745,475	\$ 1,142,819
Beginning Net Position	\$ 7,594,614	\$ 14,527,095	\$ 22,121,709
Ending Net Position	\$ 7,991,958	\$ 15,272,570	\$ 23,264,528

A single revenue stream is not dedicated for the repayment of debt; therefore, the condensed financial information for the statement of net position and cash flows is not presented.

7. Interfund Transfers

The following is a summary of the operating transfers between funds during the fiscal year ended March 31, 2014:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	\$ 200,000	\$ 1,924,111
Riverboat Casino Fund	446,463	-
Tourism Fund	-	374,150
Total General Fund	646,463	2,298,261
Special Revenue Funds:		
Riverboat Casino Fund	-	1,650,000
Recreation	-	51,245
Capital Projects Fund	2,878,893	1,239,330
Tourism Fund	374,150	-
Fire Protection	300,000	-
Total Special Revenue Funds	3,553,043	2,940,575
Enterprise Fund:		
Water	408,541	-
Sewer	630,790	-
Total Enterprise Funds	1,039,330	-
Total All Funds	\$ 5,238,836	\$ 5,238,836

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

8. Interfund Receivables/Payable

The following is a summary of the Governmental Funds Balance Sheet interfund receivables/payables at March 31, 2014

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Capital Projects Fund	\$ -	\$ 112,468
Tourism Fund	171,667	-
Ambulance Fund	13,789	-
Home Incarceration Fund	56,072	-
Court Security	15,637	-
Water Enterprise Fund	570,255	-
Sewer Enterprise Fund	<u>2,163,776</u>	<u>-</u>
Total General Fund	2,991,195	112,468
Special Revenue Funds:		
Capital Projects Fund	112,468	-
Tourism Fund	-	171,667
Ambulance Fund	-	13,789
Home Incarceration Fund	-	56,072
Court Security	<u>-</u>	<u>15,637</u>
Total Special Revenue Funds	112,468	257,165
Enterprise Funds:		
Water	-	570,255
Sewer	<u>-</u>	<u>2,163,776</u>
Total Enterprise Fund	-	2,734,031
Totals	<u>\$ 3,103,663</u>	<u>\$ 3,103,664</u>

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNT (Continued)

9. Fund Balances

The following illustrates the specific purposes of each classification of fund balance in the financial statements:

	General Fund	Major Governmental Funds	Other Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 177,871	\$ -	\$ -	\$ 177,871
Restricted:				
Debt service	-	1,600,426	-	1,600,426
Committed:				
Capital Projects Fund	-	2,595,493	-	2,595,493
Encumbrances	156,044	-	172,376	328,420
Emergency preparation	403,771	-	-	403,771
Contingencies	3,303,486	-	-	3,303,486
Separation and settlement	1,029,851	-	-	1,029,851
Total Committed:	4,893,152	2,595,493	172,376	7,661,021
Assigned:				
Court Management	379,446	-	-	379,446
Culture & Recreation	-	-	561,467	561,467
Public safety	-	2,311,315	958,627	3,269,942
Public works	-	-	373,485	373,485
Subsequent year expenditures	1,828,231	981,068	250,000	3,059,299
Total Assigned:	2,207,677	3,292,383	2,143,579	7,643,639
Unassigned:	4,167,193	-	-	4,167,193
Total Fund Balance	\$11,445,893	\$ 7,488,302	\$ 2,315,955	\$21,250,150

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES

1. Pension Plans

Plan Membership. Substantially all of the City's full time employees, except certain police employees, are mandatory members of Plan A of the Municipal Employees Retirement System of Louisiana. Full time police employees hired after June 30, 1973, and those employed prior to that date that elected to join, are mandatory members of the State Municipal Police Employees' Retirement System. Both plans are cost sharing multiple-employer defined benefit plans established by Louisiana State Statutes.

At March 31, 2014, the City had 305 employees of which approximately 42% were participants in the Plan A System and 33% were participants in the State Municipal Police Employees Retirement System.

Pension Benefits - Plan A of the Municipal Employees' Retirement System of Louisiana. Under this System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit under this System is equal to three percent of the member's average monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the retiree's surviving spouse and minor children.

Pension Benefits - State Municipal Police Employees' Retirement System. Under this System, a member is eligible for normal retirement if he has at least 20 years of service and is at least 55 years old, or 12 years of service and is at least 60 years old. The monthly retirement benefit under this System is equal to 3 1/3% of the member's average monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the retiree's surviving spouse and minor children.

Funding Policy. Employees covered under Plan A of the Municipal Employees' Retirement system of Louisiana are required by State Statute to contribute 9.50% of their salary. Employees covered under the State Municipal Police Employees Retirement System are required by State Statute to contribute 10% of their earnable compensation (includes state supplemental pay but excludes overtime pay). The City contributes both the employee and employer amounts for both plans and takes no deduction from the employees' pay for employees hired prior to April 1, 2013. Employer contributions are determined by actuarial computation and are subject to change each year as provided for by State Statute.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

1. Pensions Plans (Continued)

The City's contributions to each plan required by State Statute are as follows:

	MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM		MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA - PLAN A	
<u>Fiscal Year Ended</u>	<u>Required Contribution</u>	<u>Percentage Contribution</u>	<u>Required Contribution</u>	<u>Percentage Contribution</u>
March 31, 2014	\$ 1,885,965	100%	\$ 1,223,183	100%
March 31, 2013	\$ 1,868,778	100%	\$ 1,140,406	100%
March 31, 2012	\$ 1,668,357	100%	\$ 1,085,693	100%

The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to:

Board of Trustees
Municipal Police Employees' Retirement System
8401 United Plaza Boulevard
Room 207
Baton Rouge, Louisiana 70809

OR

Board of Trustees
Municipal Employees' Retirement
System of Louisiana
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809

2. On Behalf Payments for Salaries

Supplemental pay which is paid directly to employees of the City of Gretna by the State of Louisiana, Department of Public Safety, is recognized as intergovernmental revenue and salaries expenditure in the year in which paid. For the year ended March 31, 2014, the amount recognized as revenue and expenditure was \$567,099.

3. Post Employment Health Care Benefits

Cobra Benefits. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of the month for the actual month covered. This program is offered for duration of 18 months after the termination date. There is no associated cost to the City under the program, and there are no participants in the program as of March 31, 2014.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

3. Post Employment Health Care Benefits (Continued)

Plan Description – The City of Gretna’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by two retirement systems whose retirement eligibility (D.R.O.P. entry) provisions are similar. We have used the following as representative of that eligibility: 25 years of service at any age; age 50 and 20 years of service; age 55 and 12 years of service; or, age 60 and 10 years of service. Complete plan provisions are included in the official plan documents.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the City of Gretna recognized the cost of providing post-employment medical benefits (the City of Gretna’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the City of Gretna’s portion of health care funding cost for retired employees totaled \$80,189 and \$74,249, respectively.

Effective April 1, 2008, the City of Gretna implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The City of Gretna’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 8,060	\$ 7,750
30-year UAL amortization amount	47,334	45,513
Annual required contribution (ARC)	<u>\$ 55,394</u>	<u>\$ 53,263</u>

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

3. Post-Employment Health Care Benefits (Continued)

Net Post-employment Benefit Obligation (Asset) – The table below shows the City of Gretna's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending March 31:

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation	\$ 662,023	\$ 695,408
Annual required contribution	55,394	53,263
Interest on Net OPEB Obligation	26,481	27,816
ARC Adjustment	(38,285)	(40,216)
OPEB Cost	43,590	40,864
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(80,189)	(74,249)
Change in Net OPEB Obligation	(36,599)	(33,385)
Ending Net OPEB Obligation	\$ 625,424	\$ 662,023

The following table shows the City of Gretna's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
March 31, 2014	\$ 43,590	183.96%	\$ 625,424
March 31, 2013	\$ 40,864	181.70%	\$ 662,023

Funded Status and Funding Progress – In 2014 and 2013, the City of Gretna made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the April 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year March 31, 2014 was \$851,089 which is defined as that portion, as determined by a particular actuarial cost method (the City of Gretna uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 851,089	\$ 818,355
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 851,089	\$ 818,355
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 9,231,221	\$ 9,037,808
UAAL as a percentage of covered payroll	9.22%	9.05%

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

3. Post-Employment Health Care Benefits (Continued)

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Gretna and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Gretna and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Gretna and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 11%. Based on past experience, we have also assumed that 80% of future retirees decline coverage at retirement because of the substantial premiums required of the retiree.

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The three years represents the three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

3. Post-Employment Health Care Benefits (Continued)

investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. Retirees are not covered for health insurance after age 65. Under the former "cost sharing" retiree medical coverage program, the employer paid for a percentage of the retiree premiums (retiree only, not dependents) before age 65 based on length of service at retirement: 3 1/3% for each year of service for twenty or more years of service, to a maximum of 100%. The former program was temporarily extended to certain eligible retired and active employees and has since been terminated with eleven retirees still eligible under the program and for whom the employer pays the appropriate "cost sharing" percentage. For current active employees retiring in the future, the retiree pays the entire premium. However, these premiums are based on a variation of the blended active/retired rate before Medicare eligibility (age 65). Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the total "unblended" rates for retirees before Medicare eligibility to be 130% of the total blended active/retired rate, with the employer assumed to pay also the additional implied subsidy representing the difference between the unblended rate and the amount paid by the retiree, if any, based on the blended rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

3. Post-Employment Health Care Benefits (Continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2012	FY 2013	FY 2014
OPEB Cost	\$ 273,084	\$ 40,864	\$ 43,590
Contribution	0	0	0
Retiree premium	81,864	74,249	80,189
Total contribution and premium	<u>81,864</u>	<u>74,249</u>	<u>80,189</u>
Change in net OPEB obligation	\$ <u>191,220</u>	\$ <u>(33,385)</u>	\$ <u>(36,599)</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	29.98%	181.70%	183.96%

4. Deferred Inflows of Resources

Activity for deferred inflows of resources during the year ended March 31, 2014 was as follows:

	Balance			Balance
<u>Description</u>	<u>March 31, 2013</u>	<u>Generated</u>	<u>Utilized</u>	<u>March 31, 2014</u>
Governmental Activities:				
General Fund:				
Police property seizures	\$ <u>234,600</u>	\$ <u>27,133</u>	\$ <u>5,230</u>	\$ <u>256,503</u>

5. Contingencies and Commitments

The City is a defendant in several lawsuits including claims for damages from wrongful deaths, civil rights violations, injuries, property damage and other actions. The city's attorneys have evaluated the open claims for the likelihood of an unfavorable outcome to the City and an amount of potential loss.

CITY OF GRETN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

NOTE D – OTHER NOTES (Continued)

5. Contingencies and Commitments (Continued)

In most instances neither the outcome nor the amount of a potential loss could be estimated. In those cases where a potential outcome and an amount of potential loss could be determined total liability to the City is estimated to be not more than \$525,000.

The City carries insurance for general liability coverage in the amount of \$5,000,000, wrongful act liability coverage in the amount of \$5,000,000 and auto liability coverage in the amount of \$5,000,000.

Deductibles under these coverage's are \$100,000 per occurrence and a retained limit combined aggregate of \$1,025,000. The City's third party administrator has actuarially computed the City's liability in all cases as of March 31, 2014 to be \$521,011. The city has not accrued a liability on its financial statements to provide for the estimated amount but it has provided a reserve of fund balance in its General Fund under the caption "Reserve for separation and settlement" in the amount of \$1,029,851.

6. Subsequent Events

Management of the City of Gretna has evaluated subsequent events through September 30, 2014 the date which the financial statements were available to be issued. The city is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF GRETN, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable
						(Unfavorable)
REVENUES						
Taxes	\$ 8,354,085	\$ 8,629,717	\$ 8,869,700	\$ -	\$ 8,869,700	\$ 239,983
Intergovernmental	832,080	1,674,286	1,716,525	-	1,716,525	42,239
Charges for services	226,000	169,447	169,816	-	169,816	369
Fines and forfeitures	4,213,800	4,919,364	5,776,364	-	5,776,364	857,000
Licenses and permits	1,000,800	1,034,855	1,131,354	-	1,131,354	96,499
Miscellaneous	115,000	374,219	513,538	-	513,538	139,319
Total revenues	14,741,765	16,801,888	18,177,297	-	18,177,297	1,375,409
EXPENDITURES						
Current:						
General government	2,654,349	2,647,077	2,662,325	(18,779)	2,643,546	3,531
Public safety	9,389,134	11,018,449	10,699,131	(69,311)	10,629,820	388,629
Public works	2,591,171	2,655,355	2,712,880	(262,855)	2,450,025	205,330
Cemetery	43,500	82,140	97,490	-	97,490	(15,350)
Capital Outlay	148,000	728,393	807,748	(137,868)	669,880	58,513
Debt service:				-		
Principal retirement	30,000	75,659	73,134	-	73,134	2,525
Interest	-	2,916	2,916	-	2,916	-
Total expenditures	14,856,154	17,209,989	17,055,624	(488,813)	16,566,811	643,178
Excess (deficiency) of revenues over expenditures	(114,389)	(408,101)	1,121,673	488,813	1,610,486	2,018,587
OTHER FINANCING SOURCES (USES)						
Transfers in	486,664	583,464	646,463	-	646,463	62,999
Transfers out	-	(1,850,549)	(2,298,261)	-	(2,298,261)	(447,712)
Total other financing source (uses)	486,664	(1,267,085)	(1,651,798)	-	(1,651,798)	(384,713)
Net change in fund balances	372,275	(1,675,186)	(530,125)	488,813	(41,312)	1,633,874
Fund balances - beginning	11,976,018	11,976,018	11,976,018	(644,857)	11,331,161	(644,857)
Fund balances - ending	\$ 12,348,293	\$ 10,300,832	\$ 11,445,893	\$ (156,044)	\$ 11,289,849	\$ 989,017

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustment	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable/ (Unfavorable)
Taxes:						
Ad valorem	\$ 2,356,480	\$ 2,353,947	\$ 2,378,818	\$ -	\$ 2,378,818	\$ 24,871
Sales	5,333,105	5,563,023	5,759,901	-	5,759,901	196,878
Franchises						
Entergy	270,000	321,188	321,188	-	321,188	0
Atmos Energy Company	55,000	61,559	61,559	-	61,559	0
Cable Television	189,500	200,000	220,331	-	220,331	20,331
Off Track Betting	150,000	130,000	127,902	-	127,902	(2,098)
Total taxes	8,354,085	8,629,717	8,869,700	-	8,869,700	239,983
Licenses and permits:						
Occupational licenses	387,500	387,500	385,704	-	385,704	(1,796)
Alcoholic beverage	54,000	53,500	55,160	-	55,160	1,660
Chain store	13,300	13,300	14,835	-	14,835	1,535
Plumbing	4,000	3,500	3,650	-	3,650	150
Electrical	7,000	7,000	7,030	-	7,030	30
Taxi cab	16,000	16,000	17,177	-	17,177	1,177
Recreational	14,000	14,000	13,815	-	13,815	(185)
Insurance	380,000	380,000	449,307	-	449,307	69,307
Fireworks	40,500	43,500	43,500	-	43,500	-
Issuance fee	4,000	4,775	5,925	-	5,925	1,150
Mardi Gras	500	1,500	-	-	-	(1,500)
Building	80,000	110,280	135,252	-	135,252	24,972
Total licenses and permits	1,000,800	1,034,855	1,131,354	-	1,131,354	96,499
Intergovernmental						
State grant	45,000	516,000	500,000	-	500,000	(16,000)
Other grants	70,000	70,819	5,231	-	5,231	(65,588)
911 fees	47,580	47,580	47,580	-	47,580	0
Federal grant	-	209,887	232,648	-	232,648	22,761
Beer tax	49,500	45,000	45,568	-	45,568	568
State video poker	460,000	440,000	428,209	-	428,209	(11,791)
Jefferson parish council	-	180,000	270,000	-	270,000	90,000
Parish road tax	160,000	165,000	187,288	-	187,288	22,288
Total intergovernmental	832,080	1,674,286	1,716,525	-	1,716,525	42,239
Charges for services:						
Inspection fees						
Electrical	\$ 17,000	\$ 17,600	\$ 21,204	\$ -	\$ 21,204	\$ 3,604
Plumbing	19,000	19,000	21,905	-	21,905	2,905
Resubdivision fees	7,000	11,150	12,600	-	12,600	1,450
Parking meter	90,000	30,000	9,288	-	9,288	(20,712)
Grass cutting fees	25,000	25,000	58,999	-	58,999	33,999
Other	68,000	66,697	45,821	-	45,821	(20,876)
Total charges for services	226,000	169,447	169,816	-	169,816	369

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustment	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable/ (Unfavorable)
Fines and forfeitures						
Fines	2,093,800	1,719,364	1,662,623	-	1,662,623	(56,741)
Speed enforcement program	2,000,000	3,000,000	3,618,594	-	3,618,594	618,594
Court cost	120,000	200,000	495,147	-	495,147	295,147
Total fines and forfeitures	4,213,800	4,919,364	5,776,364	-	5,776,364	857,000
Miscellaneous:						
Interest on invested funds	10,000	7,000	6,792	-	6,792	(208)
Rents	20,000	3,000	2,099	-	2,099	(901)
Insurance claims	-	27,799	28,799	-	28,799	1,000
Sale of assets	15,000	-	-	-	-	-
Other	70,000	336,420	475,849	-	475,849	139,429
Total miscellaneous	115,000	374,219	513,539	-	513,539	139,319
Total revenues	<u>\$ 14,741,765</u>	<u>\$ 16,801,888</u>	<u>\$ 18,177,298</u>	<u>\$ -</u>	<u>\$ 18,177,298</u>	<u>\$ 1,375,409</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable/ (Unfavorable)
General government:						
City administration:						
Personnel expenses	\$ 507,128	\$ 482,545	\$ 490,578	\$ -	\$ 490,578	\$ (8,033)
Supplies	17,100	22,503	16,805	(3,352)	13,453	9,050
Service charges	393,061	474,781	471,060	(15,427)	455,633	19,148
Capital outlay	1,000	-	-	(17,250)	(17,250)	17,250
Total city administration	918,289	979,829	978,443	(36,030)	942,413	37,416
Elected officials:						
Personnel expenses	153,523	149,878	139,455	-	139,455	10,423
Supplies	5,500	6,555	6,329	-	6,329	226
Service charges	57,580	83,498	99,613	-	99,613	(16,115)
Capital outlay	-	-	-	-	-	-
Total elected officials	216,603	239,931	245,396	-	245,396	(5,465)
City attorney:						
Personnel expenses	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	451,398	413,398	416,291	-	416,291	(2,893)
Capital outlay	-	-	-	-	-	-
Total city attorney	451,398	413,398	416,291	-	416,291	(2,893)
Department of finance:						
Personnel expenses	615,915	593,989	606,835	-	606,835	(12,846)
Supplies	9,110	9,200	10,630	-	10,630	(1,430)
Service charges	161,906	138,379	125,442	-	125,442	12,937
Capital outlay	2,000	2,000	-	-	-	2,000
Total department of finance	788,931	743,568	742,907	-	742,907	661
Tax collection:						
Personnel expenses	198,494	177,729	177,775	-	177,775	(46)
Supplies	19,800	19,800	14,619	-	14,619	5,181
Service charges	63,836	74,822	86,894	-	86,894	(12,072)
Capital outlay	-	-	-	-	-	-
Total tax collection	282,130	272,351	279,288	-	279,288	(6,937)
Total general government	2,657,351	2,649,077	2,662,325	(36,030)	2,626,295	22,782
Less capital outlay	3,000	2,000	-	(17,250)	(17,250)	19,250
Total general government, net capital outlay	<u>\$ 2,654,351</u>	<u>\$ 2,647,077</u>	<u>\$ 2,662,325</u>	<u>\$ (18,779)</u>	<u>\$ 2,643,546</u>	<u>\$ 3,531</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable/ (Unfavorable)
Public safety:						
City court:						
Personnel expenses	\$ 712,646	\$ 727,450	\$ 695,593	\$ -	\$ 695,593	\$ 31,857
Supplies	27,500	33,000	30,028	-	30,028	2,972
Service charges	141,538	178,539	133,062	-	133,062	45,477
Capital outlay	57,800	213,888	215,128	-	215,128	(1,240)
Total city court	939,484	1,152,877	1,073,811	-	1,073,811	79,066
City police:						
Personnel expenses	5,529,957	5,567,231	5,909,021	-	5,909,021	(341,790)
Supplies	696,750	592,750	566,618	(49,486)	517,133	75,617
Service charges	1,678,532	3,313,582	2,757,438	(19,824)	2,737,614	575,968
Capital outlay	87,200	507,411	592,620	(36,177)	556,443	(49,032)
Total city police	7,992,439	9,980,974	9,825,697	(105,488)	9,720,211	260,764
City inspectors:						
Personnel expenses	429,211	409,197	406,067	-	406,067	3,130
Supplies	30,000	28,000	26,280	-	26,280	1,720
Service charges	143,000	168,700	175,024	-	175,024	(6,324)
Capital outlay	-	5,094	-	(32,483)	(32,483)	37,577
Total city inspectors	602,211	610,991	607,371	(32,483)	574,888	36,103
Total public safety	9,534,134	11,744,842	11,506,879	(137,971)	11,368,910	375,932
Less capital outlay	145,000	726,393	807,748	(68,660)	739,088	(12,695)
Total public safety, net capital outlay	<u>\$ 9,389,134</u>	<u>\$ 11,018,449</u>	<u>\$ 10,699,131</u>	<u>\$ (69,311)</u>	<u>\$ 10,629,822</u>	<u>\$ 388,627</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable/ (Unfavorable)
Public works:						
Engineering:						
Personnel expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	125,000	150,000	205,453	-	205,453	(55,453)
Capital outlay	-	-	-	-	-	-
Total engineering	125,000	150,000	205,453	-	205,453	(55,453)
Streets:						
Personnel expenses	1,080,026	1,197,005	1,223,810	-	1,223,810	(26,805)
Supplies	261,900	247,680	245,422	(245,117)	306	247,374
Service charges	663,141	665,326	623,981	(17,738)	606,243	59,083
Capital outlay	30,000	78,575	76,050	(51,957)	24,093	54,482
Total streets	2,035,067	2,188,586	2,169,263	(314,812)	1,854,452	334,134
Drainage:						
Personnel expenses	285,990	158,730	180,941	-	180,941	(22,211)
Supplies	35,100	51,600	33,819	-	33,819	17,781
Service charges	140,014	185,014	199,454	-	199,454	(14,440)
Capital outlay	-	-	-	-	-	-
Total drainage	461,104	395,344	414,214	-	414,213	(18,869)
Total public works	2,621,171	2,733,930	2,788,931	(314,812)	2,474,118	259,812
Less debt service	30,000	78,575	76,050	-	76,050	2,525
Less capital outlay	-	-	-	(51,957)	(51,957)	51,957
Total public works, net capital outlay	<u>\$ 2,591,171</u>	<u>\$ 2,655,355</u>	<u>\$ 2,712,881</u>	<u>\$ (262,855)</u>	<u>\$ 2,450,025</u>	<u>\$ 205,330</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
Cemetery:						
Personnel expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	43,500	82,140	97,490	-	97,490	(15,350)
Capital outlay	-	-	-	-	-	-
Total cemetery	43,500	82,140	97,490	-	97,490	(15,350)
Less capital outlay	-	-	-	-	-	-
Total cemetery, net capital outlay	43,500	82,140	97,490	-	97,490	(15,350)
Total expenditures	<u>\$ 14,856,156</u>	<u>\$ 17,209,989</u>	<u>\$ 17,055,625</u>	<u>\$ (488,813)</u>	<u>\$ 16,566,813</u>	<u>\$ 643,176</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable
						(Unfavorable)
REVENUES						
Taxes						
Ad valorem	\$ 2,198,802	\$ 2,205,000	\$ 2,216,750	\$ -	\$ 2,216,750	\$ 11,750
Intergovernmental						
Fire insurance tax	187,000	99,021	99,021	-	99,021	-
Total revenues	<u>2,385,802</u>	<u>2,304,021</u>	<u>2,315,771</u>	<u>-</u>	<u>2,315,771</u>	<u>11,750</u>
EXPENDITURES						
Public safety						
Personnel expenses	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	1,888,012	2,008,533	1,768,130	-	1,768,130	240,403
Capital Outlay	-	-	185,362	-	185,362	(185,362)
Total expenditures	<u>1,888,012</u>	<u>2,008,533</u>	<u>1,953,492</u>	<u>-</u>	<u>1,953,492</u>	<u>55,041</u>
Excess (deficiency) of revenues over expenditures	<u>497,790</u>	<u>295,488</u>	<u>362,279</u>	<u>-</u>	<u>362,279</u>	<u>66,791</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Total other financing source (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	797,790	595,488	662,279	-	662,279	66,791
Fund balances - beginning	<u>1,649,036</u>	<u>1,649,036</u>	<u>1,649,036</u>	<u>-</u>	<u>1,649,036</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,446,826</u>	<u>\$ 2,244,524</u>	<u>\$ 2,311,315</u>	<u>\$ -</u>	<u>\$ 2,311,315</u>	<u>\$ 66,791</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 RIVERBOAT CASINO FUND
 For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable
						(Unfavorable)
REVENUES						
Intergovernmental						
Riverboat casino revenues	\$ 2,100,000	\$ 2,000,000	\$ 1,995,454	\$ -	\$ 1,995,454	\$ (4,546)
Total revenues	2,100,000	2,000,000	1,995,454	-	1,995,454	(4,546)
OTHER FINANCING SOURCES						
(USES)						
Transfers out	(2,100,000)	(1,650,000)	(1,650,000)	-	(1,650,000)	-
Total other financing source (uses)	(2,100,000)	(1,650,000)	(1,650,000)	-	(1,650,000)	-
Net change in fund balances	-	350,000	345,454		345,454	(4,546)
Fund balances - beginning	635,614	635,614	635,614		635,614	-
Fund balances - ending	\$ 635,614	\$ 985,614	\$ 981,068	\$ -	\$ 981,068	\$ (4,546)

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable
						(Unfavorable)
REVENUES						
Intergovernmental						
Jefferson Parish Council	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grant	921,000	524,000	158,647	-	158,647	(365,353)
State grant	2,638,000	549,000	589,044	-	589,044	40,044
Community development	945,000	710,000	634,401	-	634,401	(75,599)
Miscellaneous						
Interest		100	58	-	58	(42)
Other		10,000	22,790	-	22,790	12,790
Total revenues	<u>4,754,000</u>	<u>1,793,100</u>	<u>1,404,940</u>	<u>-</u>	<u>1,404,940</u>	<u>(388,160)</u>
EXPENDITURES						
Public works	707,495	524,228	483,037	-	483,037	41,191
Capital Outlay	<u>8,631,964</u>	<u>4,717,988</u>	<u>2,931,487</u>	<u>-</u>	<u>2,931,487</u>	<u>1,786,501</u>
Total expenditures	<u>9,339,459</u>	<u>5,242,216</u>	<u>3,414,524</u>	<u>-</u>	<u>3,414,524</u>	<u>1,827,692</u>
Excess (deficiency) of revenues over expenditures	<u>(4,585,459)</u>	<u>(3,449,116)</u>	<u>(2,009,584)</u>	<u>-</u>	<u>(2,009,584)</u>	<u>1,439,532</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,404,782	2,431,181	2,878,893	-	2,878,893	447,712
Transfers out	-	(130,000)	(1,239,330)	-	(1,239,330)	(1,109,330)
Proceeds of 2009A Bonds	<u>176,450</u>	<u>-</u>	<u>170,574</u>	<u>-</u>	<u>170,574</u>	<u>170,574</u>
Total other financing source (uses)	<u>1,581,232</u>	<u>2,301,181</u>	<u>1,810,137</u>	<u>-</u>	<u>1,810,137</u>	<u>(491,044)</u>
Net change in fund balances	(3,004,227)	(1,147,935)	(199,447)	-	(199,447)	948,488
Fund balances - beginning	<u>2,794,941</u>	<u>2,794,941</u>	<u>2,794,941</u>	<u>-</u>	<u>2,794,941</u>	<u>-</u>
Fund balances - ending	<u>\$ (209,286)</u>	<u>\$ 1,647,006</u>	<u>\$ 2,595,494</u>	<u>\$ -</u>	<u>\$ 2,595,494</u>	<u>\$ 948,488</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable
						(Unfavorable)
REVENUES						
Taxes						
Sales	\$ 1,241,728	\$ 1,246,028	\$ 1,241,728	\$ 1,241,728	\$ 1,241,728	\$ (4,300)
Miscellaneous						
Interest on invested funds	350	200	209	-	209	9
Total revenues	<u>1,242,078</u>	<u>1,246,228</u>	<u>1,241,937</u>	<u>1,241,728</u>	<u>1,241,937</u>	<u>(4,291)</u>
EXPENDITURES						
Debt service:						
Principal retirement	710,000	715,000	710,000	-	710,000	5,000
Interest	531,728	531,220	531,220	-	531,220	-
Total expenditures	<u>1,241,728</u>	<u>1,246,220</u>	<u>1,241,220</u>	<u>-</u>	<u>1,241,220</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>350</u>	<u>8</u>	<u>717</u>		<u>717</u>	<u>709</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	350	8	717	1,241,728	717	709
Fund balances - beginning	<u>1,599,709</u>	<u>1,599,709</u>	<u>1,599,709</u>	<u>-</u>	<u>1,599,709</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,600,059</u>	<u>\$ 1,599,717</u>	<u>\$ 1,600,426</u>	<u>\$ 1,241,728</u>	<u>\$ 1,600,426</u>	<u>\$ 709</u>

The notes to financial statements are an integral part of this statement.

**SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN**

CITY OF GRETN, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
For The Year Ended March 31, 2014

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL As A Percentage of Covered Payroll
Medical	March 31, 2014	\$ -	\$ 851,089	\$ 851,089	0.00%	\$ 9,231,221	9.22%
Medical	March 31, 2013	\$ -	\$ 818,355	\$ 818,355	0.00%	\$ 9,037,808	9.05%
Medical	March 31, 2012	\$ -	\$ 2,616,129	\$ 2,616,129	0.00%	\$ 8,974,463	29.15%

The notes to financial statements are an integral part of this statement

OTHER SUPPLEMENTAL INFORMATION

CITY OF GRETN, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND
March 31, 2014

Special Revenue

	GARBAGE FUND	RECREATION FUND	SOCIAL SERV FOR THE AGED FUND	STREET LIGHTS FUND	TOURISM FUND	AMBULANCE FUND	HOME INCARCERATION FUND	COURT 24TH JDC FUND	COURT 2ND PARISH FUND	Total Nonmajor General fund
ASSETS										
Cash and cash equivalents	\$ 25,526	\$ 365,849	\$ 151,883	\$ 310,593	\$ 34,431	\$ 572,592	\$ -	\$ 255,098	\$ -	\$ 1,715,972
Receivables, net	144,798	55,113	5,408	41,404	1,919	89,706	-	-	-	338,348
Due from other governments	-	899	123	-	387,070	6,447	150,202	95,626	107,687	748,054
Total assets	<u>\$ 170,324</u>	<u>\$ 421,861</u>	<u>\$ 157,414</u>	<u>\$ 351,997</u>	<u>\$ 423,420</u>	<u>\$ 668,745</u>	<u>\$ 150,202</u>	<u>\$ 350,724</u>	<u>\$ 107,687</u>	<u>\$ 2,802,374</u>
LIABILITIES										
Accounts payable	\$ 123,037	\$ 17,085	\$ -	\$ 25,799	\$ 1,125	\$ 25,997	\$ 17,918	\$ 15,735	\$ 2,457	\$ 229,153
Accrued liabilities	-	101	-	-	-	-	-	-	-	101
Due to other funds	-	-	-	-	171,667	13,789	56,072	-	15,637	257,165
Total liabilities	<u>123,037</u>	<u>17,186</u>	<u>-</u>	<u>25,799</u>	<u>172,792</u>	<u>39,786</u>	<u>73,990</u>	<u>15,735</u>	<u>18,094</u>	<u>486,419</u>
DEFERRED INFLOWS OF RESOURCES										
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>123,037</u>	<u>17,186</u>	<u>-</u>	<u>25,799</u>	<u>172,792</u>	<u>39,786</u>	<u>73,990</u>	<u>15,735</u>	<u>18,094</u>	<u>486,419</u>
FUND BALANCES (DEFICITS)										
Committed	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	1,250	-	-	-	171,126	-	-	-	172,376
Assigned										
Culture & Recreation	-	403,425	157,414	-	628	-	-	-	-	561,467
Public safety	-	-	-	-	-	457,833	76,212	334,989	89,593	958,627
Public works	47,287	-	-	326,198	-	-	-	-	-	373,485
Subsequent year expenditures	-	-	-	-	250,000	-	-	-	-	250,000
Total fund balances (deficits)	<u>47,287</u>	<u>404,675</u>	<u>157,414</u>	<u>326,198</u>	<u>250,628</u>	<u>628,959</u>	<u>76,212</u>	<u>334,989</u>	<u>89,593</u>	<u>2,315,955</u>
Total liabilities and fund balances (deficits)	<u>\$ 170,324</u>	<u>\$ 421,861</u>	<u>\$ 157,414</u>	<u>\$ 351,997</u>	<u>\$ 423,420</u>	<u>\$ 668,745</u>	<u>\$ 150,202</u>	<u>\$ 350,724</u>	<u>\$ 107,687</u>	<u>\$ 2,802,374</u>

The notes to financial statements are an integral part of this statement

CITY OF GRETN, LOUISIANA
COMBINING STATEMENT OF REVENUES, EPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended March 31, 2014

	Special Revenue									
	GARBAGE FUND	RECREATION FUND	SOCIAL SERV FOR THE AGED FUND	STREET LIGHTS FUND	TOURISM FUND	AMBULANCE FUND	HOME INCARCERATION FUND	COURT 24TH JDC FUND	COURT 2ND PARISH FUND	Total Nonmajor General fund
REVENUES										
Taxes:										
Ad valorem	\$ -	\$ 663,872	\$ 73,711	\$ 415,807	\$ -	\$ 986,837	\$ -	\$ -	\$ -	\$ 2,140,227
Sales	-	-	-	-	21,023	-	-	-	-	21,023
Intergovernmental	-	-	-	-	509,791	56,447	817,003	1,110,782	276,480	2,770,503
Charges for services	1,503,310	80,907	491	-	8,700	559,976	-	-	-	2,153,384
Miscellaneous	-	24,081	-	-	7,948	98,161	-	-	-	130,190
Total revenues	<u>1,503,310</u>	<u>768,860</u>	<u>74,202</u>	<u>415,807</u>	<u>547,462</u>	<u>1,701,421</u>	<u>817,003</u>	<u>1,110,782</u>	<u>276,480</u>	<u>7,215,327</u>
EXPENDITURES										
Current:										
Public safety	-	-	-	-	-	1,335,947	806,009	1,091,025	268,253	3,501,234
Public works	1,493,816	-	-	302,394	-	-	-	-	-	1,796,210
Culture and recreation	-	656,376	27,263	37,870	671,768	-	-	-	-	1,393,277
Debt service:										
Capital outlay:										
Capital Outlay	-	38,846	-	86,985	-	183,805	-	-	-	309,636
Total expenditures	<u>1,493,816</u>	<u>695,222</u>	<u>27,263</u>	<u>427,249</u>	<u>671,768</u>	<u>1,519,752</u>	<u>806,009</u>	<u>1,091,025</u>	<u>268,253</u>	<u>7,000,357</u>
Excess (deficiency) of revenues over	<u>9,494</u>	<u>73,638</u>	<u>46,939</u>	<u>(11,442)</u>	<u>(124,306)</u>	<u>181,669</u>	<u>10,994</u>	<u>19,757</u>	<u>8,227</u>	<u>214,970</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	374,150	-	-	-	-	374,150
Transfers out	-	(51,245)	-	-	-	-	-	-	-	(51,245)
Total other financing source (uses)	<u>-</u>	<u>(51,245)</u>	<u>-</u>	<u>-</u>	<u>374,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,905</u>
Net change in fund balances	9,494	22,393	46,939	(11,442)	249,844	181,669	10,994	19,757	8,227	537,875
Fund balances - beginning	<u>37,793</u>	<u>382,282</u>	<u>110,475</u>	<u>337,640</u>	<u>784</u>	<u>447,291</u>	<u>65,218</u>	<u>315,232</u>	<u>81,365</u>	<u>1,778,080</u>
Fund balances - ending	<u>\$ 47,287</u>	<u>\$ 404,675</u>	<u>\$ 157,414</u>	<u>\$ 326,198</u>	<u>\$ 250,628</u>	<u>\$ 628,960</u>	<u>\$ 76,212</u>	<u>\$ 334,989</u>	<u>\$ 89,592</u>	<u>\$ 2,315,955</u>

The notes to financial statements are an integral part of this statement.

SCHEDULE OF COMPENSATION OF ELECTED OFFICIALS

CITY OF GRETNA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO
CITY COUNCIL
For The Year Ended March 31, 2014

COUNCILMAN	SALARY
Wayne A. Rau	\$ 17,000
Belinda Constant	\$ 4,969
Joseph Marino	\$ 12,031
Vincent E. Cox III	\$ 4,969
Mark Miller	\$ 12,031
Milton Crosby, Sr.	\$ 17,000
Raylyn Beevers	\$ 7,715
Jackie J Berthelot	\$ 9,285

The notes to financial statements are an integral part of this statement.

CITY OF GRETN
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED MARCH 31, 2014

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	TOTAL EXPENDITURES
DEPARTMENT OF TRANSPORTATION				
Passed Through Louisiana Department of Transportation and Development				
Recreational Trails Program	20.219	H.007697	\$ 60,900	\$ 22,225
Safe Routes to Schools, Mc Donoughville	20.200	H.007216	285,100	\$10,244
Safe Routes to Schools, Jonesville	20.200	H.006525	162,000	\$6,650
TOTAL DEPARTMENT OF TRANSPORTATION			<u>508,000</u>	<u>39,119</u>
DEPARTMENT OF JUSTICE				
Direct Awards:				
Criminal Investigation Major Crime Initiative	16.738	2012-DJ-BX-0338	11,206	3,419
Bullet Proof Vest Partnership	16.607	-	11,424	10,282
Passed Through Louisiana Commission on Law Enforcement:				
Child Advocacy Program	16.575	CI2-7-015	38,317	26,527
Child Advocacy Program	16.575	2013-VA-03-1525	43,548	7,594
Victim Assistance	16.575	2013-VA-01/02/04-1695	35,740	20,922
Multi Jurisdiction Task Force	16.738	B-12-7-015	51,000	32,033
Multi Jurisdiction Task Force	16.738	2013-DJ-01-1423	52,325	10,995
Passed Through Jefferson Parish Sheriffs Office:				
Multi Jurisdiction Task Force	16.738	B-12-7-008	<u>15,499</u>	<u>15,499</u>
TOTAL DEPARTMENT OF JUSTICE			259,059	127,271
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Louisiana Office of Community Development				
Comprehensive Resiliency Program	14.228	B-08-D1-22-001	96,199	46,390
Passed Through Jefferson Parish Office of Community Development				
Gretna City Park Detention Pond	14.218	-	396,892	394,911
JB Spencer Park Lighting	14.218	-	296,690	254,203
Lift Station 7 Generator	14.218	-	<u>300,100</u>	<u>22,393</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,089,881	717,897
DEPARTMENT OF HOMELAND SECURITY				
Disaster Grant Hurricane Katrina Water Tower Replacement	97.036	PA-LA-1603	943,334	90,088
Disaster Grant Direct Administrative Hurricane Cost Hurricane Katrina	97.036	PA-LA-1603	368,730	368,730
Disaster Grant Direct Administrative Hurricane Cost Hurricane Gustav	97.036	PA-LA-1786	19,990	19,990
Disaster Grants Direct Administrative Cost Hurricane Isaac	97.036	PA-06-LA-4080	61,146	61,146
Disaster Grants Direct Administrative Cost Tropical Storm Lee	97.036	PA-LA-4041	3,639	3,639
Passed Through Jefferson Parish OHSEP				
Metropolitan Medical Response System	97.067	EMW-2011-SS-0124-SO1	<u>50,000</u>	<u>50,000</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			1,446,839	593,593
TOTAL			<u>\$ 3,303,779</u>	<u>\$ 1,477,880</u>

CITY OF GRETN, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
MARCH 31, 2014

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended March 31, 2014. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and OMB Circular A-133. Grant terms are indicated in the Schedule of Federal Financial Assistance.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

**OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Honorable Mayor and Members of the City Council
City of Gretna, Louisiana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gretna, Louisiana (the City) as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2014-1.

We noted certain matters that we have reported to management of the City in a separate letter dated September 30, 2014.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Council, City Management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is intended to be and should not be used by anyone other than these specified parties. Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
September 30, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

**Honorable Mayor and Members of the City Council
City of Gretna, Louisiana**

Report on Compliance for Each Major Federal Program

We have audited City of Gretna, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended March 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
September 30, 2014

FINDINGS AND RECOMMENDATIONS

CITY OF GRETN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2014

We have audited the general purpose financial statements of the City of Gretn, Louisiana as of and for the year ended March 31, 2014, and have issued our report thereon dated September 30, 2014. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A133. Our audit of the financial statements as of March 31, 2014 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Type of Opinion On Compliance
For Major Programs

Unqualified ☒
Disclaimer ☐

Qualified ☐
Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☒ No

c. Identification of Major Programs:

- Department of Housing and Urban Development – Community Development Grants
Gretn City Park Detention Pond, JB Spencer Park Lighting, and Lift Station 7 Generator
- Department of Homeland Security-Disaster Grant Hurricane Katrina Water Tower
Replacement
- Department of Homeland Security-Disaster Grants Direct Administrative Cost

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? ☐ Yes ☒ No

CITY OF GRETN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2014

Section II Financial Statement Findings

A – Issues of Noncompliance

Finding 2014-1 – Budgetary Authority and Control

The City of Gretna, Louisiana is required under Louisiana Revised Statue to monitor the results of its operations during the fiscal year in relation to its legally adopted budget and advise the governing authority of the City when total revenues and other sources plus projected revenues and other sources fail to meet total budgeted revenue and other sources by five percent or more. Capital Projects Fund was under budget by 12.13%

Management's Response:

The unfavorable variance in the Capital Project Fund revenues of \$217,586 or 12.13 percent was due the scheduling of construction projects for federal and state funded projects. These projects are funded on a reimbursement basis and the funds must be spent prior to receiving the federal and state revenues. Due to delays in construction the Capital Project Fund had a favorable variance in budgeted expenditures. However, this caused the reimbursement of revenues to be less than projected. This issue has been corrected and properly budgeted for the Fiscal Year 2014-2015 Budget. Additionally, this fund will amend the budget throughout the fiscal year to reflect all variances.

B – Significant Deficiencies

NONE

Section III Federal Award Findings and Questioned Costs

NONE

SCHEDULE OF PRIOR YEAR FINDINGS

**CITY OF GRETN, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED MARCH 31, 2014**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

NONE

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL FUNDS

2013-3 Preparation of Schedule of Federal Financial Assistance - The Schedule of Federal Financial Assistance included expenditures on a program completed in a prior period and excluded expenditures on two federal programs of which one was a major program. We recommend implementation of a centralized system to identify federal programs when awarded and to monitor progress of the programs. (Partially resolved)

SECTION III - MANAGEMENT LETTER

2013-1 – Inventory of Capital Assets – Recommendation to consolidate the inventories and cross reference the various assets to a computerized capital asset schedule which is updated contemporaneously. (Resolved)

2013-2 – Periodic Review of Accounting Information – Recommendation to have monthly reviews of financial statements. (Resolved)

**CORRECTIVE ACTION PLAN
FOR
CURRENT YEAR AUDIT FINDINGS**

**CITY OF GRETN, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED MARCH 31, 2014**

Section I - Internal Control And Compliance Material To The Financial Statement

2014-1 Budgetary Authority and Control – The City failed to maintain control over budgeted revenue within limits established under State law.

Management's Response:

The unfavorable variance in the Capital Project Fund revenues of \$217,586 or 12.13 percent was due the scheduling of construction projects for federal and state funded projects. These projects are funded on a reimbursement basis and the funds must be spent prior to receiving the federal and state revenues. Due to delays in construction the Capital Project Fund had a favorable variance in budgeted expenditures. However, this caused the reimbursement of revenues to be less than projected. This issue has been corrected and properly budgeted for the Fiscal Year 2014-2015 Budget. Additionally, this fund will amend the budget throughout the fiscal year to reflect all variances.

Section II - Internal Control And Compliance Material To Federal Awards

NONE

Section III - Management Letter

2014-2 Financial Assistance Monitoring – The City receives grants from various sources. Many of the grants are federal grants passed through various state and parish agencies. Administration of these grants is not centralized. We suggest a system that identifies grants when applied for and subsequently awarded and identifies the individual who is responsible for the grant administration and compliance. Files should be maintained within the finance department containing at a minimum the grant application and subsequent grant award, as well as other appropriate documents.

Management's Response:

Management agrees that a system should be developed and implemented to identify grants when applied for and subsequently awarded. This system should identify the responsible person for the grant administration and compliance. A central file will be maintained within the finance department and a quarterly report will be generated and circulated to all key city directors including the Mayor and Police Chief. Any additions, deletions, and corrections will be noted and reported to the finance department. These files will be updated quarterly and will culminate with an annual end of year meeting to review, discuss, and prepare all documentation needed for the annual audit.

CITY OF GRETN, LOUISIANA
MANAGEMENT ADVISORY COMMENTS
MARCH 31, 2014

Camnetar & Co., CPAs
a professional accounting corporation

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

**Honorable Mayor and Members of the City Council
City of Gretna, Louisiana**

As part of our examination of the financial statements of the City of Gretna, Louisiana, for the year ended March 31, 2014, we reviewed the system of internal control, administrative procedures, and financial procedures of the City. Our review did not include a detailed examination of all transactions, such as would be necessary to disclose any defalcations or irregularities that may have occurred. However, our engagement did include such tests of the City's system and procedures to the extent we considered necessary to make an evaluation as required by generally accepted auditing standards and the Louisiana Municipal Audit and Accounting Guide.

As a result of our review, we noted certain areas in the City's system and procedures where we believe improvements could be made. This memorandum summarizes our comments and suggestions, see attachment titled Management Advisory Comments and Suggestions. The accompanying advisory comments reflect observations made during the course of this year's audit, as well as observations made in prior years. These observations are not intended as an evaluation of the performance of any of the City's personnel.

We will be pleased to discuss them with you and provide assistance in their implementation.

We would like at this time to take the opportunity to extend our thanks for the assistance given us during the course of our examination to Mayor Constant and Mrs. Stevens as well as their staff.

We would be glad to review these findings with any member of the City's administration or governing body should further discussion be deemed necessary.

Camnetar & Co.

Camnetar & Co. CPAs
a professional accounting corporation

Gretna, Louisiana
September 30, 2014

CITY OF GRETN, LOUISIANA
MANAGEMENT ADVISORY COMMENTS AND SUGGESTIONS
FOR THE YEAR ENDED MARCH 31, 2014

The accompanying advisory comments reflect observations made during the course of this year's audit. These observations are not intended as an evaluation of the performance of any of the City's personnel.

2014-2 Financial Assistance Monitoring – The City receives grants from various sources. Many of the grants are federal grants passed through various state and parish agencies. Administration of these grants are not centralized.

We suggest a system that identifies grants when applied for and subsequently awarded and identifies the individual who is responsible for the grant administration and compliance. Files should be maintained within the finance department containing at a minimum the grant application and subsequent grant award, as well as other appropriate documents

Mayor
Belinda Cambre Constant

Wayne A. Rau
Councilman at Large
Mayor Pro Tem



City of Gretna
www.gretnala.com

City Council
Milton L. Crosby
District One
Joseph A. Marino, III
District Two
Mark K. Miller
District III
Jackie J. Berthelot
District Four

September 30, 2014

Mr. Daryl G. Purpera, CPA,
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera,

The following outlines the action to be taken by the City of Gretna regarding the management advisory comments to you by our auditor, Camnetar & Co., CPA's, in their report dated September 30, 2014.

2014-1 Budgetary Authority and Control

The unfavorable variance in the Capital Project Fund revenues of \$217,586 or 12.13 percent was due the scheduling of construction projects for federal and state funded projects. These projects are funded on a reimbursement basis and the funds must be spent prior to receiving the federal and state revenues. Due to delays in construction the Capital Project Fund had a favorable variance in budgeted expenditures. However, this caused the reimbursement of revenues to be less than projected. This issue has been corrected and properly budgeted for the Fiscal Year 2014-2015 Budget. Additionally, this fund will amend the budget throughout the fiscal year to reflect all variances.

2014-2 Financial Assistance Monitoring

Management agrees that a system should be developed and implemented to identify grants when applied for and subsequently awarded. This system should identify the responsible person for the grant administration and compliance. A central file will be maintained within the finance department and a quarterly report will be generated and circulated to all key city directors including the Mayor and Police Chief. Any additions, deletions, and corrections will be noted and reported to the finance department. These files will be updated quarterly and will culminate with an annual end of year meeting to review, discuss, and prepare all documentation needed for the annual audit.

Sincerely,

Raylyn Stevens, CPA
Director of Finance